



# Kaipara District Council

Long Term Plan 2015/2025

## Part One

Introduction

Financial Strategy

Infrastructure Strategy

Services and Activities



Kaipara te Orangahui • Two Oceans Two Harbours

## Commissioners' Foreword

Commissioners end their term in October 2016 when, along with other councils, an election will take place for you to choose your next Mayor and Councillors. We are determined to leave Council in good shape.

We have a sustainable financial base, with many of the historical problems put behind us, although there is more to do. This means we can start to focus on building a great future for those who live here, holiday here or do business here.

We want it to be “easy” to live and do business in Kaipara – for this we want rates to remain affordable, people and business to have access to necessary services, and our regulatory framework to let the right things happen in the right way, where we protect our great environment.

We have many challenges to achieve this vision. There are lots of demands on Council funding - mainly collected from your rates.

For example, we need to replace old pipework in towns where population numbers are low and sometimes falling. Fewer ratepayers means each ratepayer must pay more which then makes the scheme more costly – so what should we do? We have budgeted to catch up on a maintenance backlog of our Water Supply, Stormwater and Wastewater infrastructure in the next 30 years. This may seem a long time. Any shorter period would require a significant rates increase that is unaffordable for many property owners. Meanwhile we will find out more about the condition of our assets so we can programme our maintenance accordingly.

Another example, our roads; logging trucks are damaging our roads and so in the Long Term Plan we are requiring forestry owners to help pay for the strengthening of roads that they use. Logging will be high for the next six years. Forestry owners will be charged a targeted rate for these six years so that Council can strengthen the roads used by logging trucks to keep them in good condition for all users.

To balance our budgets, we have had to keep our core services at a relatively basic level and only invest modestly in community activities. We have included a small increase in the community development budget to allow more community work, especially the strengthening of town centres. We are aware of how important a sense of community is, and how much volunteers already do. We will continue to rely on volunteers to develop our communities.

We can put more funding into some parks because we are collecting Reserve Contributions as subdivisions are approved. We have given Mangawhai Community Park, Harding Park/Pou Tu o Te Rangi and Taharoa Domain priority for extra development. All these parks are co-governed with partnerships between Council and Iwi or Council and the community.

We have retained a small rates increase for most people across the 10 years. The increase of revenue we collect from rates is around 3.5% each year for the 10 year period. We have slowed our debt reduction, from a previous target of \$50 million to a level of \$60 million by 2025, to allow increased spending on fixing up our infrastructure – mainly renewing pipes.

Council's approach to sustainable financial management is simple.

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

By applying these principles, we will set Council up to be in good shape for years to come.

Commissioners acknowledge the engagement and advice of the community as this Plan has been put together, and the considerable work by Council staff throughout the process. Thank you. This is a sound Plan, in which the community can have confidence.



Chair John Robertson QSO

**On behalf of Kaipara District Commissioners**

## Your Commissioners



### **John Robertson QSO**

Chair

John has public sector experience as a former Member of Parliament, as a former Mayor of Papakura, and Chair of Infrastructure Auckland. He is an accredited member of the Institute of Directors, is a Chartered Accountant and a professional Director.



### **Richard Booth**

Richard is a Whangarei-based horticulturalist and farmer, with considerable experience in the dairy industry and as a Director. He is Chair of Delta Produce.



### **Peter Winder**

Peter is a former Chief Executive Officer of the Auckland Regional Council, Director of Transport at the Auckland Regional Council, and Chief Executive Officer of Local Government New Zealand. He is a Director of McGredy Winder & Co, advisers to local and regional government authorities.

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# Introduction





## Introduction

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

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

### **Our approach to Water Services – Three Waters (Water Supply, Stormwater and Wastewater)**

- No new schemes for water supply, stormwater and wastewater;
- Addressing the backlog of maintenance. We do not have good information on the condition of our assets. We will spend the first years of this Plan improving our knowledge of the condition of our water infrastructure. Once we know this we will confirm what will be renewed and when; and
- Expanding the number of connections to the Mangawhai Community Wastewater Scheme (MCWWS). We will consider how best to increase the number of properties connected to the MCWWS this year. Future new connections will place more demand on disposal capacity, and require an extension of the reticulation network. The Plant has enough capacity for many years. The purpose of the scheme is to prevent human waste from entering the groundwater and harbour. To ensure we achieve this, over time, all properties within the Mangawhai Drainage District need to be connected to the scheme. This will be taken through a full process of community consultation.

Direct operational costs for stormwater and wastewater services are averaged across the District. All those connected (or connectable) pay the same amount because the service received is the same, no matter which scheme the property is connected to. This means that some areas are paying more than the actual cost of their local scheme, and some less.

We have removed Te Kopuru from this averaging formula, because they were particularly disadvantaged by it. Te Kopuru will only pay the costs of operating its own system.



### **Our approach to Roads**

- In general, we will only do work that is eligible for a subsidy from the NZ Transport Agency (NZTA). This means that ratepayers will fund some 39% of any work done. Because NZTA does not give a subsidy for seal extensions we will only seal new roads that are paid for using Development Contributions or funded by local residents; and
- We will widen unsealed roads that have a high volume of use, and we will continue to maintain the current service levels. This includes maintaining already sealed roads and bridges (and other structures), and doing small safety improvements. Over the 10 years of the Plan, expenditure of \$123.5 million is planned, an average of \$12.4 million a year; and
- We will apply a targeted rate on forestry owners for the first six years of the Plan. The money collected will be used to strengthen roads used heavily by logging trucks. This will raise 39% of the funds needed. We have assumed that NZTA will provide the remaining 61% of the total cost. NZTA has so far only committed to \$1.0 million to this purpose, compared to \$1.8 million requested for the next three years. We will continue to work with NZTA to put the case for further funding, and meanwhile retain our local share in full.

Roads account for around 40% of Council's operational costs and 70% of capital funding (nearly 50% of the general rate). Raising road maintenance service levels would either have to be funded by further rate rises and/or cutting other services. We dismissed both options.

### **Our approach to Parks and Reserves**

- We will develop our priority and key parks over time;
- We will invest in the development of our priority and key parks using Financial Contributions collected for this purpose, not money we collect from rates. This is the money that we will collect when new properties are consented for development and which must be used to improve reserves. Financial Contributions of \$5.6 million are included in the projections for the Long Term Plan 2015/2025; and
- We will spend 60% of funds collected locally, and 40% district-wide.

We expect to collect approximately \$500,000 each year. The three parks that will receive the priority for development are Mangawhai Community Park, Harding Park/Pou Tu o Te Rangi and Taharoa Domain.

### **Our approach to Community Development**

We want to support volunteering. We will work in partnership with communities to make our District a better place to live and work. We will raise the Community Development Fund (CDF) from \$80,000 in 2013 to \$125,000 annually.

We need the Fund if we are to partner with the community and help deliver community services. In the first few years, we will use the Fund to work with communities to improve the town centres of Dargaville and Kaiwaka in particular.

By the end of next year, we will have worked with all our communities to develop action plans that outline what Council and communities can achieve together.

**Revenue increases from rates and debt management**

- We will cap the increase in rates revenue at approximately 3.47% for 2015/2016 (4.94% when including the new Forestry Roding Targeted Rate) and to the Local Government Cost Index (LGCI) +2% for future years;
- We will reduce debt. Our debt will be \$60 million or less at the end of the life of this Plan. We project income from Development Contributions to be less than was planned for in the amended Long Term Plan 2012/2022; and
- As cash flows allow, we will increase the amount we spend on replacing infrastructure. There is a small risk that an asset may fail because of the lack of renewal works done in the past, or where underground pipes are nearing the end of their life.

## Your Council's Vision

### Strategic Destination

Te unga matua

### Kaipara – where it's easy to live

He ngawari te noho

We have been holding meetings around the District and the repeated message that we have heard is the desire to keep life in the District simple.

- A place that is friendly, unpretentious and quiet
- A place where life is relaxed and people can enjoy nature's bounty
- A place where people can succeed in business creating jobs and futures
- A place that values innovation and self-sufficiency to create a more sustainable future

We propose a new vision to reflect this - *Kaipara - where it's easy to live*

### The Values

Ko nga uara

Our purpose is to make a positive difference for Kaipara. We aspire to work with

### Integrity

- ✓ We will do what we say we will
- ✓ We will act with good intent
- ✓ We will do the right thing in the right way

## Team Work

- ✓ We will work together
- ✓ We will support each other

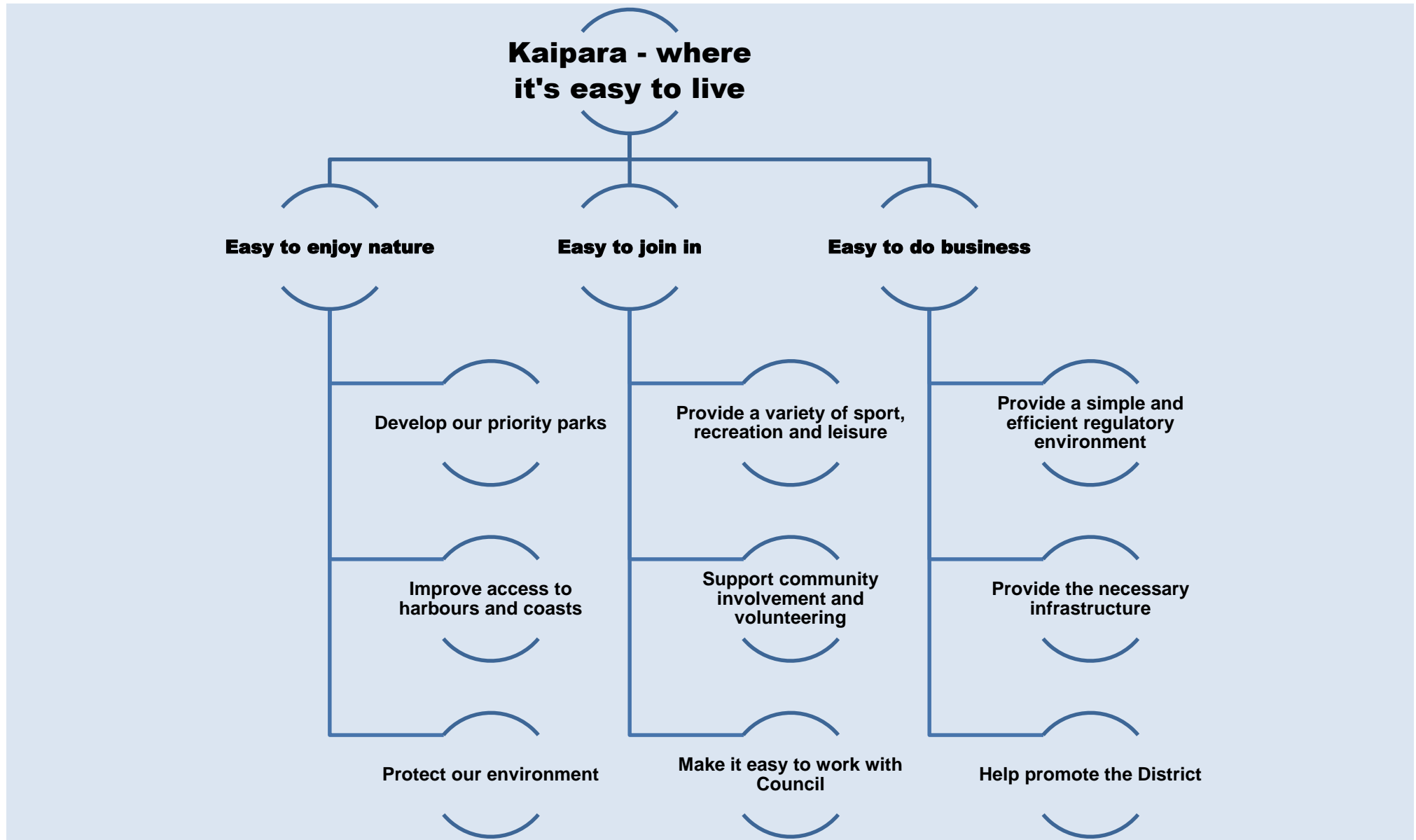
## Delivering Value

- ✓ We will seek to understand needs and deliver to them
- ✓ We will apply our skills and knowledge for the benefit of others

## Community Outcomes

The outcomes we wish to work with the community to achieve are:

<p><b><i>Outcome 1 - We will work with you to help make it easy to enjoy nature.</i></b></p> <p><i>We aspire to being a district that is renowned for our beautiful environment.</i></p>	<p>Our objectives are to:</p> <ul style="list-style-type: none"> <li>• With your help, develop our priority parks</li> <li>• With your help, improve access to coasts and harbours</li> <li>• With your help, protect our environment.</li> </ul>
<p><b><i>Outcome 2 - We will work with you to help make it easy to join in.</i></b></p> <p><i>We aspire being a district that has strong communities where people have a sense of belonging and work together.</i></p>	<p>Our objectives are to:</p> <ul style="list-style-type: none"> <li>• With your help, ensure there is a wide variety of sport, recreation and leisure opportunities</li> <li>• With your help, support community involvement and volunteering</li> <li>• Make it easy for you to work with Council.</li> </ul>
<p><b><i>Outcome 3 - We will work with you to help make it easy to do business.</i></b></p> <p><i>We aspire to being a district that has sufficient economic activity to support the well-being of our communities and residents.</i></p>	<p>Our objectives are to:</p> <ul style="list-style-type: none"> <li>• Provide a simple and efficient regulatory environment</li> <li>• With your help, provide the necessary infrastructure for business</li> <li>• With your help, promote the District.</li> </ul>





## Our District

### Who are we?

The Kaipara District had a population of 18,963 people as at the 2013 Census, an increase of 9% since 2001. This growth was not evenly spread across the District with the west decreasing and the increases occurring in the east. Interestingly, population and dwelling changes are not necessarily linked. The number of dwellings has increased even where the population has decreased with fewer people living in each home.

Some areas of the District have large numbers of owners who live outside the District. Bach/weekend house owners make up a significant part of some communities in holiday areas. This is especially so in Mangawhai and smaller settlements such as Glinks Gully, Pouto village and other seaside settlements. 72% of ratepayers in the Kaipara District (excluding Mangawhai) reside within the District and 28% outside the District. For Mangawhai, 38% reside within the District and 62% live outside the District - 56% in Auckland. Mangawhai's population may increase by over 112%, more than double, during holiday periods.

As with most rural areas of the North Island, growth is slowing down. This is attributed to less births and increasing deaths due to the aging of the population. This population aging is the result of the large 'baby boomer' generation reaching retirement age, together with the social trend towards families having fewer children. In Kaipara this population aging trend is exacerbated by the tendency of young adults (the children who grew up here) to leave the District, often in search of work or education, coupled with the attractiveness of the District as a retirement destination which sees population growth in the post-reproductive age group. These two factors have resulted in a reduction in the younger to middle age population as young families establish outside the District, following the trend towards centralisation and the growth of cities such as Auckland. This is matched with the changes in the age of the population.

From 2001/2013 there was a significant decrease of households in western areas who have children, and a drop of 26% in the number of children living there aged under 15. This is reversed in the east.

These population trends are not consistent across the District. The Kaipara District spans a large area of rural Northland and includes many individual towns, settlements and heartland communities. Infrastructure needs and population trends vary greatly across the District's many communities. While eastern communities (such as Mangawhai and Kaiwaka) are expected to grow, western areas are expected to continue to experience population decline.

Nearly a quarter of us are Maori, with a network of actively used local Marae as a focus for communities. The main iwi are Te Uri o Hau and Te Roroa, both with associations to Ngati Whatua. Our Maori population is slowly growing in number.

As a population, we are:

- increasingly living alone (one-third of us);
- mostly not working (two-thirds of us);
- more likely than other places to be religious (nearly two-thirds of us - although this is decreasing), and
- more likely to have higher incomes if we live in rural areas rather than towns.

### **How do we make a living?**

Kaipara's economy is currently and will continue to remain securely founded on its primary industries supported by the manufacturing sector. Large-scale land use change is not anticipated in the District over the next 30 years, excepting that the east of the District is anticipated to experience an expansion in rural-residential living (lifestyle blocks). Forestry harvest volumes will continue at their current level of around 3.8 million cubic metres per year for the next six years before increasing to over 4.0 million cubic metres per year from 2020 and possibly up to 4.7 million cubic metres per year from 2023. Future large industrial and commercial developments are likely to be based in the areas of Dargaville, Maungaturoto, Kaiwaka and Mangawhai.

As a population, we are:

- heavily reliant on rural industries;
- less likely to be employed by the public sector than in the past;
- choosing Kaipara as a place to retire to rather than for work; and
- seeing jobs increase and diversify in the east with growth in visitor services, construction and property-business services.

### **What will we be like in the future?**

Without intervention, it is likely that Kaipara will continue to decline in population in the west and grow in the east. This will be exacerbated by the improvements planned for State Highway 1 to Wellsford which will improve the connection of areas in the east to Auckland. We will continue to rely on the rural sector for our successful economy, and the core of manufacturing located in the District. We expect that the rural sector will continue to process product locally. We hope that visitors will discover the amazing place we live in and visit more often for the day or to stay for a time.

Our challenges are how we can maintain the level of infrastructure services in communities that have a dominance of people on fixed incomes, and are declining in population numbers. We will increasingly rely on the community coming together to work with Council to retain our district as an easy place to live. If we work together Kaipara can be a place where it is easy to do business, easy to join in and easy to enjoy nature.

## What we changed after hearing your feedback

We asked for feedback on our Long Term Plan 2015/2025 Consultation Document “Looking Ahead”. Our formal feedback period started 12 February 2015 and closed 27 March 2015. We continued to accept feedback until 20 April 2015.

We held roundtable meetings in Dargaville, Maungaturoto, Mangawhai, Kaiwaka and Paparoa in early March 2015. We also provided two opportunities for you to present your feedback in person, one at Kaiwaka on 19 April 2015, the other at Dargaville on 20 April 2015.

Attendance was mixed however the opportunity to speak with Commissioners and/or senior staff was appreciated by those who attended. Having senior staff, experts in their field, attend the roundtable meetings meant meaningful discussions around issues were had and advice/answers could be given on the spot where appropriate.

111 people provided us with feedback. Of this number, 32 used the online submission process.

The Long Term Plan is Council’s contract with the community and it says what we will do, when we will do it and how much of the ratepayers’ money we will spend to do it.

We listened to what you told us and made the following decisions:

### **Rate increases and debt management**

We know we need to keep rates affordable and we have kept rates affordable with an average increase of 3.47% for 2015/2016 (plus 1.47% for a new Forestry Roding Targeted Rate). Over the 10 years the average increase is 3.67% per annum. We need this increase to keep up with inflation, reduce our debt and address the backlog of maintenance we have with our water supply, stormwater and wastewater pipework.

### **Three Waters**

There will be no new schemes for water supply, stormwater or wastewater. We will learn more about the assets we have below ground and the condition they are in. We will address the backlog of maintenance over the next 30 years.

### **Roding and the Forestry Roding Targeted Rate**

We are a rural district and two-thirds of our roads are unsealed. These roads are likely to remain this way because central government is not contributing funding to seal new roads in rural areas any more.

We spend \$46.00 out of every \$100.00 we collect from ratepayers on our roading network but damage from the number of logging trucks using some of our roads means this is not enough. We need to be able to strengthen these roads so they remain safe for you to use.

To help us do this we will apply a Forestry Roding Targeted Rate for the next six years to help strengthen those roads that will be most affected by the harvesting of trees. This six year period reflects when the majority of the harvesting of trees in the District will occur. At the end of this six year period our regular roading maintenance budget will catch up and the harvesting cycle will be at a low point.

We know that State Highway 12 and State Highway 14 are also affected by the high number of logging trucks using these roads. State Highways are maintained by the NZTA, not by Council. If you have concerns about the condition of State Highway 12 and/or State Highway 14 you can call the NZTA Hotline on 0800 111 655.

### **Parks and Reserves**

We provide parks and reserves. We will put money into the development of Mangawhai Community Park, Harding Park/Pou Tu o Te Rangi and Taharoa Domain. We will continue to maintain our other parks at current levels of service. We will also be developing a Street Tree Policy to help people know what trees they can plant and where they can plant these outside their property boundaries.

### **Community Development Fund**

We have increased our Community Development Fund from \$80,000 to \$125,000 per annum because so many of you asked us to. This means that where you want to improve the look and feel of your town centres, we can work with you to help.

### **Dog registration**

A big part of our job is regulatory. This is where we need to enforce rules and regulations. When we do this type of work for you, we charge you what we do to cover costs because we believe that the user should pay and not the ratepayers in general. As part of this work many of you asked us to reconsider our dog registration fee, so we did. Our standard registration fee is \$60.00. If your dog is registered on our database as a “working dog” the fee will be \$50.00 per dog. If you own more than 20 dogs, the fee will be \$50.00 per dog. In all instances a penalty fee will apply for late registration.

### **Food Control Plan**

A recent change to the Food Act means those providing food to the public will need to have a Food Control Plan. To cover the full cost so the ratepayer does not pick up any additional costs, we will introduce a \$300.00 Food Control Plan fee for the one-off assessment of these Plans. We will also introduce a simple fee structure for both inspections and audits.

**Community housing**

We will increase our community housing rentals by \$10.00 per week. The rent collected from the new level of rents will cover the costs of their upkeep. In future community housing charges will automatically increase by the Customer Price Index (CPI) plus minor rounding.

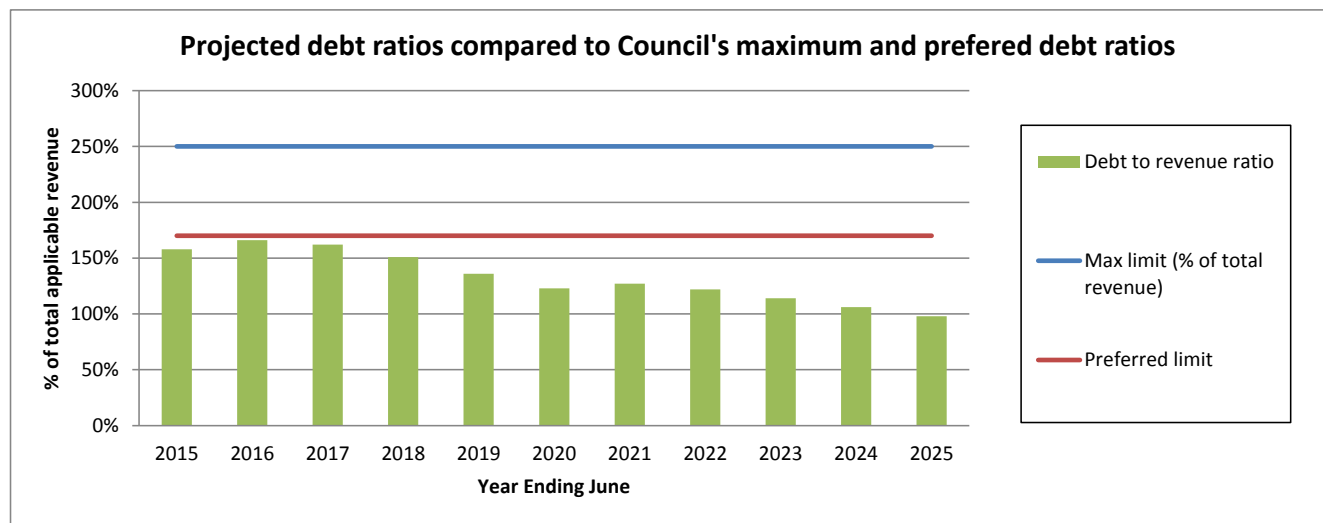
**Keep telling us**

We are a small Council and we service a wide area. We cannot be everywhere at once so we appreciate it when you tell us about a problem that you have found. Please keep telling us. You can call our Customer Service Centre on 0800 727 059 or 09 439 3123 or email us at [council@kaipara.govt.nz](mailto:council@kaipara.govt.nz).

If we work together we can make Kaipara a place where it's easy to live, easy to do business and easy to join in.



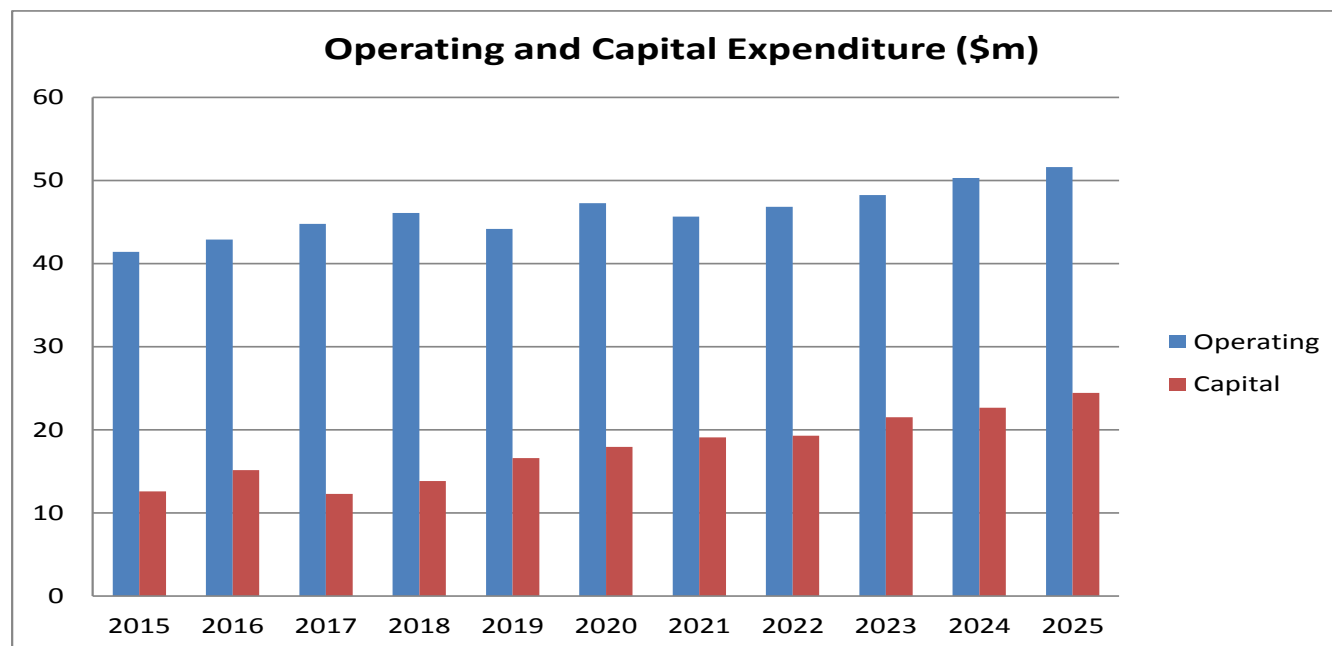
## Finances at a Glance



### Debt

Debt requirements reduce to acceptable levels over the 10 years, from \$76 million to \$60 million.

Council's debt ratios are below the preferred limit at all times during the life of the Plan.



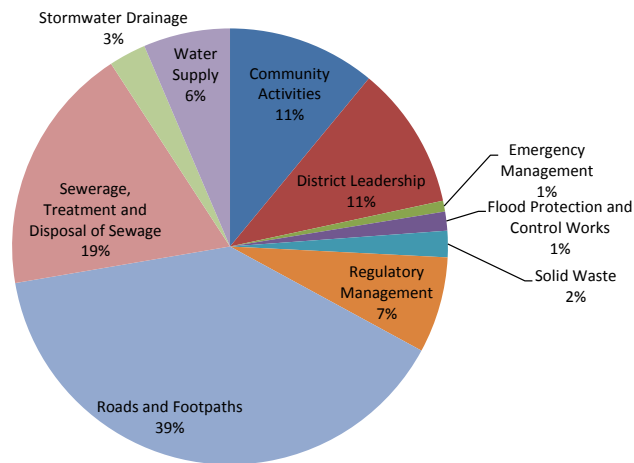
### Total Expenditure

Council is keeping spending low-basic service levels.

Additional expenditure on roading and some for community development has been included.

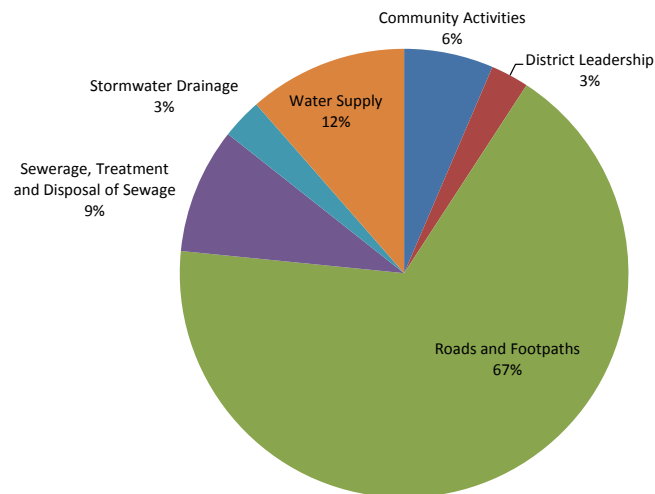
Capital expenditure gradually increases towards the end of the Plan as catch-up renewals are provided for.

Operating expenditure is \$468 million over the 10 years; capital expenditure is \$183 million over the same period.

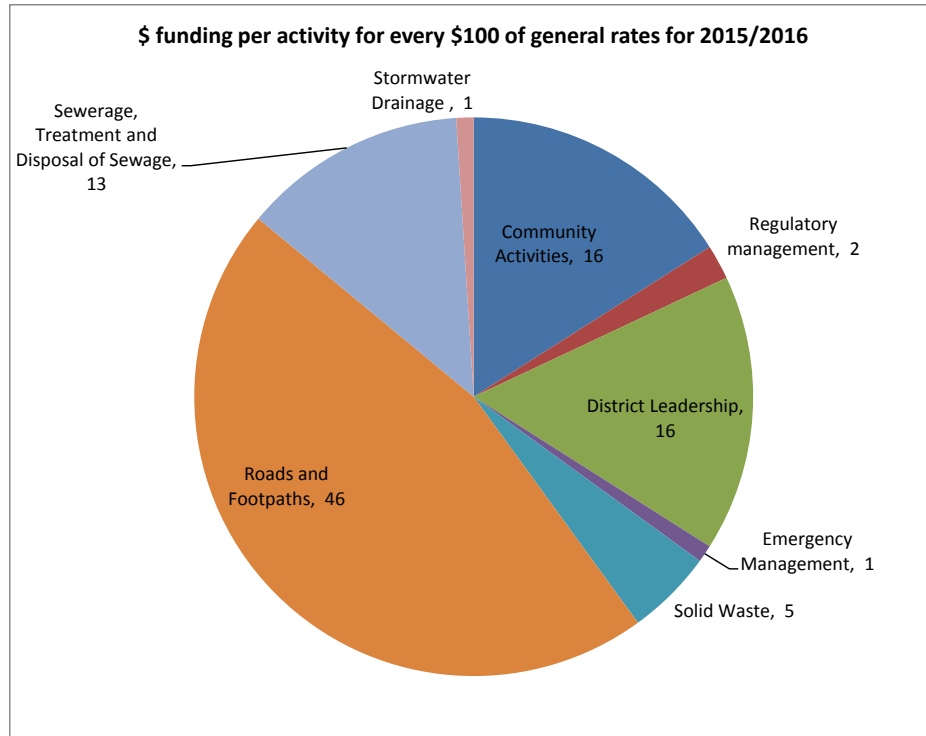
**Operating expenditure (\$468 million) over the next 10 years by activity****Operating expenditure**

58% of operating expenditure is spent on Roads and Footpaths and Sewerage and the Treatment and Disposal of Sewage.

A further 22% is spent on Community Activities and District Leadership.

**Capital expenditure (\$183 million) over the next 10 years by activity****Capital expenditure**

67% of capital expenditure is spent on Roads and Footpaths.



Each \$100 of general rates funds approximately \$46 of Roads and Footpaths, \$16 towards Community Activities and \$16 towards District Leadership.

General rates that are paid by the whole District accounts for \$20.6 million of the \$27.9 million rates collection.

**Note:** Localised targeted rates (\$7.3 million in total) are not represented in the pie chart. These are in addition to the district-wide rates.

## Financial Strategy

### 1.0 Overview

#### 1.1 Introduction

Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature.

As part of this there is a need to ensure that the Council is financially resilient and has equitable and sustainable funding. Through the services we deliver and our community leadership role, we can make a significant contribution to the future success of the District. The delivery of these services will be efficient, effective and appropriate for the circumstances now and in the future.

Council's approach to sustainable management is a simple one:

- run a balanced budget;
- treat the District equitably; and
- have a sustainable Plan.

Key elements explicitly included in the amended Financial Strategy, adopted in June 2013 with the amended Long Term Plan 2012/2022 as incorporated in the Annual Plan 2014/2015, were:

- **New policy criteria** of simplicity, community support, equity, stability/durability, affordability and fair distribution;
- **Reducing debt more quickly.** Debt was projected to fit within prudent parameters by 2015/2016 and to continue to decline over the remaining term of the Plan;
- **Living within our means:**
  - Operating expenses (before depreciation) funded out of operating revenue except for a portion of interest attributable to future development. In addition, desludging costs are loan funded rather than rates to avoid spikes in rates.
  - Fully funding depreciation by 2022, except for the NZ Transport Agency (NZTA) portion of roading and for the Mangawhai Community Wastewater Scheme (MCWWS) which will be fully funded by 2025.
  - Increased rates of 9.3% in 2013/2014 followed by increases within the Local Government Cost Index (LGCI) plus 2% for the remaining term of the Plan;

- **Simplified rating structure** and further refinements to the apportionment of the benefits and costs of activities; and
- **A consistent approach across the District for funding water supply, stormwater and wastewater** by averaging defined operating costs and combining this amount with the scheme defined capital costs.

Overall, parameters for the amended Long Term Plan 2012/2022 were:

- Debt to reduce to \$50 million in 2022;
- Operating expenditure projected to be \$475 million over the 10 year period;
- Capital expenditure projected to be \$142 million over the 10 year period; and
- Rates for the 10 year period projected to be \$284 million.

Since the amended Long Term Plan 2012/2022 was adopted, progress has been made within the organisation, there has been a change in the legislative framework and new information is available. Key updates that needed to be considered and incorporated into the Long Term Plan 2015/2025 were:

- Incorporating improved information about infrastructural assets that became available as a result of better asset management planning and the preparation of the Infrastructure Strategy required as part of the Local Government Amendment Act No 3, 2014;
- The next stage of the MCWWS;
- Statistic New Zealand population updates and rating base projections;
- The revaluation of Council's rating database;
- Better definition of the requirements for developing a sustained high performing organisation;
- Better definition of the risks Council faces (such as the proposed amendment to the Health and Safety Act) and increasing environmental standards; and
- Better understanding of the community needs.

While our approach to sustainable financial management has not changed, the new information tested the financial parameters and difficult choices were required. The key challenge for the Long Term Plan 2015/2025 was managing affordability in the face of declining population, slowly increasing rating base growth and increasingly tangible infrastructural renewal requirements.



## 1.2 Challenges

For many years the Council has not been operating in a sustainable way. The income from rates has been insufficient to fund day to day services. The large debt had been treated as a problem for the future, not for the present. Much of the debt was to fund a wastewater scheme to service twice the number of connections to date, based on growth projections that were overly optimistic. Information about infrastructural assets, while improved over the last three years, is still not as good as we would like it to be. Combined these issues mean that there are still issues from the past to be managed as we move towards our goal of being a high performing organisation with strong community and mana whenua support.

Our challenges in developing the Long Term Plan 2015/2025 and our projected positions are set out below.

### Policy criteria

With updated information (e.g. population and rating base projections and infrastructure asset requirements) and stewardship and business imperatives driving expenditure requirements up, the Affordability Policy criteria was the one that came under most pressure. This in turn put the other five criteria (i.e. simplicity, community support, equity, stability/durability and fair distribution) at risk.

### Reducing debt

Debt reduction came under pressure as priority capital expenditure is included in the projections. Capital revenues did not increase at a similar magnitude, as most of the planned expenditure is for renewals. Further, the Development Contribution income projections for the MCWWS have been revised downward.

### Living within our means

In order to live within our means we need to maintain the balanced budget policy and legislative imperative and to run a surplus in order to retire debt. Fully funding depreciation (excluding roading) is not planned until 2022 currently (MCWWS from 2025). Additionally, expenditure from reserves needs to be funded. Trade-offs were required around the pace at which the renewal catch-up was progressed.

### Simplified rating structure

The current rating structure was under pressure given the nature of choices required. Overall however, the rating structure is intact. Despite averages masking underlying movements on segments of the rating base the revaluation of the rating base has left the relativities between different rating segments largely the same, so this did not require a need to change.

### **Consistent approach to funding the Three Waters**

The consistent approach to funding the Three Waters (water supply, stormwater and wastewater) reflected that it is the same service received wherever one lives.

However, there was pressure in this area with the Long Term Plan 2015/2025 given the unfunded catch-up renewals and ongoing requirements for the older schemes and the possibility of an extension of the MCWWS. The issues highlight that there are quite different dynamics with the old versus the new schemes and that small scheme numbers and growth assumptions become critical factors when determining the way forward.

Those most likely to come under affordability constraints are those who pay targeted rates for more than one of these services. This will continue to be a feature of Long Term Plans for the foreseeable future.

### **Risk and financial resilience**

Reducing our risk and increasing our financial resilience remains a key driver of our current Financial Strategy. Improving our position has positive flow-on effects and can help with most of the issues outlined above.

- **Debt financing**

Apart from reducing the quantum of debt, it is important for Council to be able to access more attractive cost of funding rates. Council's position has significantly improved now that the irregular rates have been validated and the decision from the Judicial Review in the High Court has been released. While there still remains an appeal, our debt ratios are below the level set down by the Local Government Funding Agency (LGFA) from forecast year end 30 June 2015 for the duration of the Long Term Plan 2015/2025 and the indications going forward are positive. Being able to access comparable margins to our peers, will flow through to rates. On current levels of debt, 1% equates to around \$760,000 per annum.

- **Capitalised interest**

Currently 50% of the interest cost for the debt attributable to new development that occurs from 2023 onward, is "capitalised" and added to the underlying debt for these future developers. By 2025 the total interest attributed to this debt is in the order of \$1.85 million per annum, of which 50% is "capitalised" and the other 50% funded by the District.

- **Debt management**

One of the implicit requirements that came out of the decision on the Judicial Review is the need to consider Council's options regarding debt obligations. This Council believes that it is in the best interests of the District to honour debt obligations and the Long Term Plan 2015/2025 has been written on that basis. It is

neither necessary nor desirable (from a Council or an industry perspective) to default on any obligations. Council manages these obligations in accordance with external advice on an ongoing basis.

### Options to manage the challenges

Options to manage these challenges were to:

- Increase rates and/or add new targeted rates if the opportunity arose;
- Manage past infrastructure requirements by deferring expenditure and/or sequencing timing over a longer timeframe (e.g. 40 to 50 years); and
- Exit services where possible and/or provide more economical options.

In addition, to:

- Review the approach to district-wide funding for the Three Waters and/or transitioning arrangements; and
- Slow the rate of debt reduction down provided that the level remains prudent and affordable.

### 1.3 Summary

The challenges outlined in the section above, have been worked through, consulted on with the community and the preferred position is set out in the Long Term Plan 2015/2025. The issues are specifically set out in this Financial Strategy and in the Infrastructure Strategy.

The new Financial Strategy remains a simple one. We will run a balanced budget. We will treat the District equitably. We will have a sustainable Plan.

Key points of the new Financial Strategy are set out below:

- A balanced budget is maintained<sup>1</sup>;
- Operating expenditure is projected to be \$468 million and Capital expenditure is \$183 million for the 10 years to 2025. Funding of this expenditure is primarily through rates, user charges and NZTA subsidies;
- General rates will increase around 4.6%<sup>2</sup>, a new targeted rate is proposed for Council-owned roads used by forestry and logging trucks representing 1.47% of the rates increase and other targeted rates contribute to 0.06% of the rates increase. Overall, rates will increase around 4.94% over the rates set in 2014/2015<sup>3</sup> to

<sup>1</sup> i.e. Operational revenue funds operational expenses (before depreciation) except for a portion of interest attributable to future development. In addition, desludging costs for cleaning out wastewater ponds are loan funded rather than rates funded to avoid spikes in rates unless new technology can provide a more economical alternative in future.

<sup>2</sup> General rates contribute 3.41% of the rates increase overall. Base rates of 3.47% together with the new targeted rate for forestry roads of 1.47% make up the overall increase of 4.94%.

<sup>3</sup> This compares with a 9.3% increase over the Annual Plan budget for 2013/2014 and 2.51% for 2014/2015. All rate percentage increase excludes estimates for penalty charges.

ensure that we deliver a sustainable and balanced budget for 2015/2016 and allow us to fund the impact of forestry and logging trucks and maintain current standards on Council roads. Thereafter the rate increases will remain within the LGCI<sup>4</sup> plus 2% maximum limit for the 10 years of the Long Term Plan 2015/2025;

- Rates increases averaging approximately 3.67% per annum over the life of the Plan will generate sufficient income to manage ongoing renewals, make progress on catch-up renewals and begin funding reserves;
- Capital costs (reflecting the costs of capital works and remaining debt) for each scheme will be combined with the operational costs, which are being allocated uniformly across all schemes, to calculate the targeted rate payable in each community for water supply, stormwater and wastewater<sup>5</sup>;
- Capital contributions, collected as targeted rates, to fund the capital cost of the MCWWS and reduce debt continue as does the district-wide funding of a portion of the debt as part of the general rate; projected income from Development Contributions has been spread over a longer timeframe;
- Other capital costs are funded by NZTA funding<sup>6</sup> (for roading); Financial Contributions (for reserves) and Development Contributions (for some wastewater and stormwater schemes and roading) fund capital costs of growth; and
- Debt requirements<sup>7</sup> are projected to trend downwards and reduce to approximately \$60 million by 2024/2025 at the end of the 10 years covered by the Plan. At all times during the duration of the Plan, debt requirements fit within Council's preferred debt ratio parameters.

Four points to note in the Financial Strategy are set out in more detail below.

- **Introducing additional funding phased over time for renewal expenditure on water supply, stormwater and wastewater infrastructure assets**

While further information about asset condition is available for the Long Term Plan 2015/2025, there is still a high level of uncertainty about expenditure needs and relative priorities. As discussed in the Infrastructure Strategy, further work is scheduled over the next 3 years and a definitive position will be available for the Long Term Plan 2018/2028. In the meantime, the level of renewal expenditure has been increased on an incremental basis as affordability permits. The adequacy of this provision will be reassessed with the Long Term Plan 2018/2028. However, it is essential that we maintain the debt capacity within the term of the Long Term Plan 2015/2025, in the event that it is needed in subsequent years.

<sup>4</sup> Local Government Cost Index.

<sup>5</sup> The annual network charge.

<sup>6</sup> NZ Transport Agency funding also funds operational expenditure on roads.

<sup>7</sup> Projected debt plus increasing capacity to fund reserve expenditure.

- **Introducing additional funding for roads for six years from 2015/2016 to 2020/2021 inclusive**

In order to maintain a level close to current standards for roads, a targeted rate for exotic forestry has been introduced that will, together with the NZTA funding assistance, generate an average of \$0.7 million per annum for three years followed by \$1.0 million per annum for the next three years to ensure that Council-owned roads used by forestry and logging trucks can be maintained at close to current standards. If this funding is not available, the roads would deteriorate until year 7 of the Plan in 2021/2022 when funding would be available to begin to catch-up on the maintenance of these roads.

- **Mangawhai Community Wastewater Scheme (MCWWS)**

Currently a review of development and charging for the scheme is underway. At the conclusion of the MCWWS review, a proposal will be consulted on with the community as a separate exercise. It is not part of the Long Term Plan 2015/2025 as such but is discussed further in the Financial Strategy. In the meantime, pending the outcome of the review, funding for the extension of the network of \$2.7 million has been provided for in the later years of the Plan.

- **Growth and Development Contributions**

Population and rating base projections indicate that there will be some growth within the Kaipara District over the term of the Long Term Plan 2015/2025 and the 30 years of the Infrastructure Strategy. Growth is expected largely in Mangawhai and its surrounding district. Other areas are expected to have only slight increases (central Kaipara) or no increases (west and north Kaipara). This puts the quantum of the Development Contributions collected for areas other than Mangawhai in question. The Development Contributions Policy for wastewater for Mangawhai itself has been revised to reflect that, even though growth over the last two censuses has been significant, it has not flowed through to Development Contributions as most of the growth to date is where a capital contribution is being or has been paid. This area will need to be reviewed on an annual basis.

### **Options that were considered**

If rates were to increase by 1% from the first year and then as projected, approximately \$3.0 million would be generated over the life of the Plan to increase provisions for funding reserves or catch-up renewals or to reduce debt at a faster pace and to reduce Council's financial and asset resilience and risk. Alternatively a reduction of 1% would produce the opposite result. Feedback received indicated that neither option was strongly supported. The status quo has prevailed.



## 2.0 Financial Strategy

### Background

Local authorities need a sustainable funding base to continue delivering services to their communities in the future. This involves a balancing act of delivering services while keeping the income required affordable, ensuring equity between current and future generations, along with fairly sharing service delivery costs between different users.

The Local Government Act (LGA) requires Council to take account of a number of principles when determining how it wishes to fund its different activities. These include:

- The contribution that each activity makes to Community Outcomes;
- The distribution of benefits between different sections of the community;
- The period over which benefits are expected to occur;
- The extent to which the actions (or inactions) of a particular group contribute to the need to undertake the activity;
- The costs and benefits of funding an activity distinct from other activities; and
- The overall impact of its policy decisions on the community.

In addition to the requirements of the LGA the Commissioners introduced a set of new policy criteria to guide decisions on the Financial Strategy and other financial matters for 2013/2014. They are:

- Simplicity - Council's plans and policies should be clear and easy to understand. Overly complex plans and policies detract from this and have an unnecessary cost;
- Community support - The revised plans and policies should be acceptable to the community;
- Equity - Plans and policies should be fair and treat like with like both now and in the future. Further, those who contribute to the need for the activity should pay more;
- Stability/durability - The plans and policies should be stable and have longevity and so give some certainty to people over time;
- Affordability - The levels of services and costs of the activities need to produce rates, fees and charges that are affordable for people; and
- Fair distribution - Use the Uniform Annual General Charges (UAGC) to ensure a fair distribution of costs across all ratepayers given the marked difference in land values across the District.

The financial statements included in this Financial Strategy use the actual results reflected in the Annual Report 2013/2014 and the second financial reforecast<sup>8</sup> for the 2014/2015 financial year as a starting point.

### Population, Land Use and Rating Base Growth

The 2013 Statistics New Zealand census data indicates that the Kaipara District as a whole is expected to have little or no growth in the long term. Within that there are area differences with the east growing faster than the west and north, where growth is predicted to be flat or, in some areas, declining. To some extent actual data from rating base figures supports the census data. However, even in times when growth was slow there was steady upward movement in other areas.

Using the statistics and rating base data, we are predicting the levels of growth set out in the table below.

**Figure 1a: Annual Rating Unit Growth Forecasts 2015/2025**

Area	Years 1 – 3 2015/2016 – 2017/2018	Years 4 – 10 2018/2019 – 2024/2025
Te Kopuru, Glinks Gully and Ruawai	0.0%	0.0%
Kaiwaka	1.0%	1.0%
Mangawhai	3.0%	1.3%
Maungaturoto	0.5%	0.5%
Dargaville and Baylys	0.4%	0.4%
Rest of District (including all other areas)	0.5%	1.0%
Kaipara District (all)	1.0%	1.0%

Mangawhai Development Contributions<sup>9</sup> has a different growth profile, as set out below.

**Figure 1b: Annual Development Contributions Growth Forecasts 2015/2025 - Mangawhai**

Area	Years 1 – 3 2015/2016- 2017/2018	Year 4 2018/2019	Year 5 2019/2020	Year 6 2020/2021	Year 7 2021/2022	Year 8 2022/2023	Year 9 2023/2024	Year 10 2024/2025
Mangawhai	1.9%	2.1%	2.3%	2.4%	2.6%	2.8%	3.0%	3.2%

<sup>8</sup> Item 3.4, 26 May 2015 Council meeting, Forecast Two 2014/2015. A copy of this report is available on the Council website ([www.kaipara.govt.nz](http://www.kaipara.govt.nz))

<sup>9</sup> The Mangawhai development contributions growth profile is different from the growth projection for Mangawhai as a whole because (1) it is a much smaller area, and (2) much of the growth in the Mangawhai wastewater area will not attract a Development Contribution as they have either paid already or are paying a capital contribution through rates.

Land use is expected to remain largely the same over the 10 year period.

A particular characteristic of the Kaipara is that approximately 63% of the ratepayers reside within the District and 37% outside the area. For Mangawhai these figures are 38%<sup>10</sup> within the District and 62% outside the area and for the balance of the District the figures are 72% and 28% respectively<sup>11</sup>. This characteristic is also likely to remain over the period of the forecasts.

In general, the forecasts assume that the additional demand for services created by the increased growth will be absorbed by the rating base growth and by more efficient delivery of services.

The key exception is the wastewater plant at Mangawhai, where the Development Contributions growth forecasts are an essential part of the forecasted revenues. This is discussed further in this Strategy and in more detail in the Revenue and Financing Policy and the Development Contributions Policy which is part of this Long Term Plan.

### **Financial Overview**

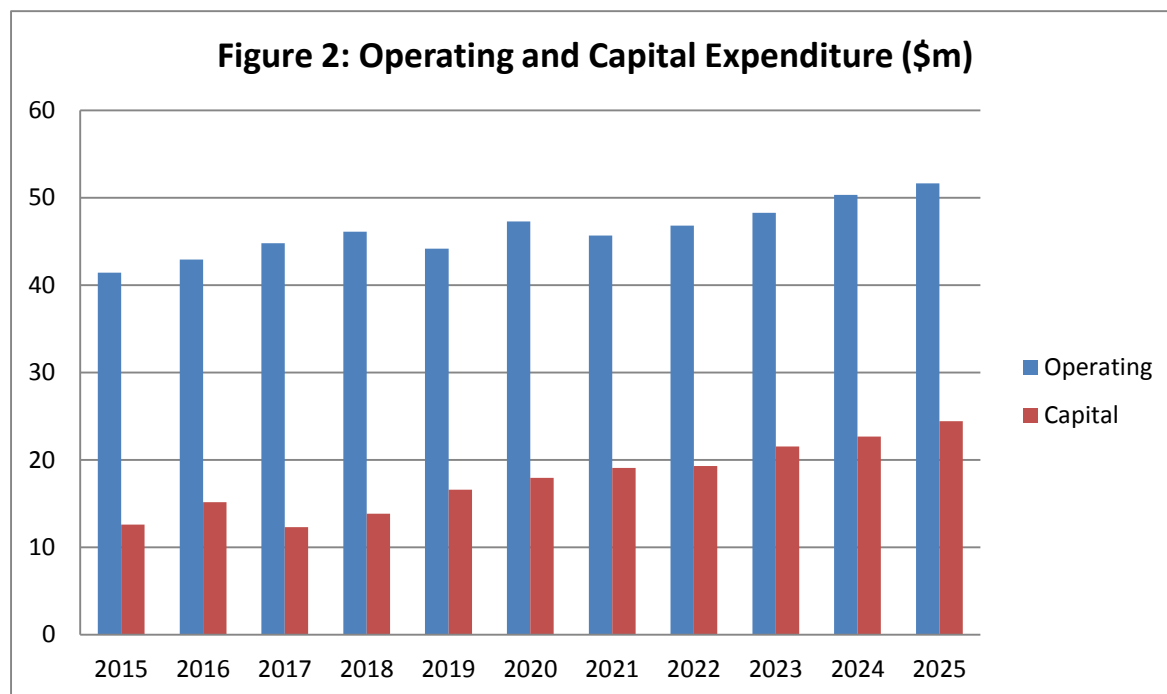
To deliver our services to the community and maintain the District's assets to the level forecast over the next 10 years (2015/2025) will require an investment of \$468 million for operating expenditure and \$183 million for capital expenditure.

This Plan has been developed assuming that existing levels of service are preserved and that new capital assets are delivered on a 'just in time' basis. This means that usually the levels of expenditure are relatively even in the early years each subsequent year largely reflecting the LGCI rise. In this Plan there is an early rise in expenditure to reflect the forestry roading and prior year catch-up roading expenditure. Expenditure levels in later years for water supply, stormwater and wastewater increases to provide capacity for undertaking additional catch-up renewal work. Once the next asset condition assessments have been completed we will have a clearer view of the expenditure required. The Service Delivery review of professional services has been completed. Roding is due and is expected to be fully implemented by 2016/2017. We have assumed that efficiency savings from this review will be absorbed by increased costs from growth. The graph below sets out our operating and capital expenditure for each year from 2014/2015 to 2024/2025. The first year is a baseline with this Plan being represented by the remaining 10 years.

<sup>10</sup> Of the 38% in the District, 24% are in the Mangawhai area and 14% in the rest of the District.

<sup>11</sup> Based on postal addresses at November 2014.

**Figure 2: Operating and Capital Expenditure (including depreciation) (\$m)**



We will fund operating and capital expenditure in accordance with the Revenue and Financing Policy:

- Operating expenditure will be funded primarily through rates and activity revenue (user charges and water rates), grants and NZ Transport Agency (NZTA) funding;
- Capital expenditure will be funded primarily through rates, development contributions and NZTA funding; and
- Borrowing is used minimally over the forecast period given that it is being reduced overall.

Overall, while not fully rate funding depreciation until 2021/2022 (with the exception of roading as it has funding from the NZTA and Mangawhai Community Wastewater Scheme (MCWWS) until 2025) and part of the interest costs related to growth in the MCWWS, we will balance the books from the outset. Forecasted revenues are sufficient to cover both operating and capital expenditure over the 10 year period and to provide for net debt repayment. We are also forecasting to recoup some of our prior year operating deficits from the general rate over the 10 year period.

The forecasted operating surplus together with total revenue and expenditure, as detailed in the Prospective Statement of Comprehensive Revenue and Expense, is summarised in the table below.

**Figure 3a: Forecasted Total Revenue, Expenditure and Operating Surplus 2015/2025<sup>12</sup> (\$million)**

Year end June	2015 <sup>13</sup>	2016	2017	2018	2019	2020	2021 <sup>14</sup>	2022	2023	2024	2025
<b>Total Revenue</b>	48.2	47.3	47.6	49.8	53.6	57.9	55.7	57.0	59.0	61.1	63.2
<b>Total Expenditure</b>	43.3	42.9	44.8	46.1	44.2	47.3	45.7	46.8	48.2	50.3	51.6
<b>Net Surplus (Deficit) <sup>15</sup></b>	4.9	4.4	2.8	3.7	9.4	10.6	10.0	10.2	10.8	10.8	11.6

Forecasts have been inflated using the LGCI produced by Business and Economic Research Ltd (BERL). The forecast interest rates are the actuals for existing loans and swaps. The interest cost of the new debt or refinanced debt is assumed to be at an average of 4.92%, which is a conservative estimate, using the long term average forecasts and a margin applicable to Council assuming that we borrow from the Local Government Funding Agency (LGFA), or at an equivalent margin, by 2018/2019. The combined all-up cost is assumed to be 5.35%.

### Finding the Right Balance

This Financial Strategy is based on continuing to balance our operating budget and moving towards a more sustainable level of debt while recognising the need to maintain reasonable levels of service, provide for the renewal of our assets and ensure that our rates remain affordable for ratepayers. While Council debt levels are now within its preferred debt limits, we need to maintain discipline in order to remain so. If we relaxed our Policy to fund operating and renewal expenditure from increased revenue rather than borrowing we would soon be outside our debt limits. This would mean that either borrowing would become very expensive or in the worst case scenario that Council would be unable to raise the loans we needed. To ensure that Council continues to move towards a more financially sustainable position it is projecting to increase revenue, predominantly by increasing rates, and to maintain the debt reduction programme, albeit at a slightly reduced level.

Intergenerational equity means that, over time, users or people who benefit from a particular asset contribute a reasonable amount towards its cost. If an asset lasts 20 years for example, people who benefit from that asset should pay for a fair proportion during the time they have used it. It is fair and helps with affordability.

Managing intergenerational equity has two different impacts depending on the type of asset and expenditure.

<sup>12</sup> Refer Prospective Statement of Comprehensive Revenue and Expense.

<sup>13</sup> The 2015 figures represent Forecast 2 for the 2014/2015 financial year.

<sup>14</sup> The key movement from 2020 to 2021 is the result of the finish of the Forestry targeted rate.

<sup>15</sup> Net Surplus (deficit) prior to Gain/Loss on Asset Revaluations.

If the asset is new, it is appropriate to fund it by debt which is then repaid from rates over a maximum of 20 years. If there is a growth related component it is also appropriate that Development Contributions are utilised.

The main growth related project is the MCWWS. To date it has largely been debt funded. The forecasts for the next 10 years project that the portions paid by the Mangawhai Community and the District will be repaid over the original 30 years. The projections for future users have been revised downwards to reflect that not all the new growth developments will be charged a Development Contribution. As a consequence the future users portion of the debt is now projected to be repaid over the next 40 years.

For assets that already exist, renewal expenditure is required. Depreciation recognises that the value of the asset diminishes over time. By funding the depreciation, a reserve is set up that can be used to fund the renewal expenditure when it falls due. This means that those who use the asset contribute to its upkeep or replacement ensuring that there is intergenerational equity. Depreciation was funded only to the level of renewals for the first four years of the last Long Term Plan. From year 2 to 7<sup>16</sup> of this Long Term Plan depreciation will progressively increase rates until depreciation is fully funded.<sup>17</sup> The impact of this is that:

- Asset renewals are kept to a basic but manageable level;
- Over time capacity for additional work will become available should it be required; and
- Rates can be maintained at a lower level in the short term to assist with affordability.

This effect of progressively funding depreciation can be seen in the next table.

**Figure 3b: Funded depreciation (\$000's)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total depreciation</b>	<b>9,458</b>	<b>9,789</b>	<b>10,137</b>	<b>10,518</b>	<b>10,933</b>	<b>11,370</b>	<b>11,802</b>	<b>12,227</b>	<b>12,704</b>	<b>13,245</b>
<b>Total funded depreciation</b>	<b>4,229</b>	<b>4,331</b>	<b>4,856</b>	<b>5,101</b>	<b>5,831</b>	<b>6,437</b>	<b>7,014</b>	<b>7,436</b>	<b>7,793</b>	<b>8,270</b>
<b>Unfunded depreciation:</b>										
Roads and Footpaths <sup>18</sup>	3,720	3,800	3,371	4,043	4,169	4,306	4,454	4,614	4,788	4,975
Mangawhai Community Wastewater Scheme	766	716	646	573	499	420	334	177	123	-
Other	743	942	1,264	801	434	207	-	-	-	-
<b>Total unfunded depreciation</b>	<b>5,229</b>	<b>5,458</b>	<b>5,281</b>	<b>5,417</b>	<b>5,102</b>	<b>4,933</b>	<b>4,788</b>	<b>4,791</b>	<b>4,911</b>	<b>4,975</b>

<sup>16</sup> Years 2-10 for the MCWWS.

<sup>17</sup> The exception is roading. Council does not intend to rate for the portion that NZTA funds. Roading is effectively already fully funded.

<sup>18</sup> Overall, between the NZTA and Council, Roads and Footpaths is 100% funded

The table shows the total level of depreciation and what is funded, together with the unfunded portions for Council. The key point to note is that funded depreciation steadily increases until unfunded depreciation is zero for everything other than Roads and Footpaths and the MCWWS by 2022 i.e. depreciation is fully funded for these activities. Roads and Footpaths project expenditure is funded by the NZTA subsidy together with either rates or loans at the time the project is undertaken which means that fully funding depreciation is not required. Fully funding the depreciation for the MCWWS is scheduled for 2025 rather than 2022 as it is with other activities to coincide with maximum term of the current operating contract.

Fully funding depreciation will allow Council to fund normal renewal levels of expenditure within projected revenues. However, we have catch-up renewals to manage as well. While the exact need and relative priority is not known at present, where possible a provision is being built up to manage this additional expenditure. Beginning in the later years of this Long Term Plan 2015/2025 catch-up renewal is expected to be prioritised and cleared over a 30 year period.

We are mindful of the impact that rates increases have on ratepayers. Not dealing with the sustainability and intergenerational issues is also not a viable alternative and in the long run the negative impact would be much greater.

Our strategy, in regards to keeping rates within affordable bounds where possible, is to:

- Keep expenditure to base levels of service, no “extras”, and operate a “just in time” policy in regard to undertaking capital expenditure. This will see levels of service generally being maintained at current levels;
- Smooth the impact of desludging costs by loan funding rather than rates funding in the year it occurs<sup>19</sup>;
- Phasing in rate increases where it is prudent to do so, for example the move to fully fund depreciation and to set up provisions for priority expenditure over and above depreciation levels to restore assets to an appropriate condition and to avoid loan funding for operating expenditure in the future; and
- Moving towards allocating the costs to wider groups who benefit from the service or who cause the costs.

As part of the Infrastructure Strategy, reviews are programmed to complete the condition assessment of assets and to investigate affordable alternatives.

The increase in rating levels in 2012/2013 followed by the increase for 2013/2014 means that Council has a more sustainable funding base. Our base level of services can be funded within current income, financial risk is reduced and financial resilience is increased as debt is steadily retired over the 10 year period. In outer years we will have some additional capacity and flexibility; in the early years, particularly to 2018/2019, we have very little.

We believe that the respective trade-offs are workable. While there is a risk that assets may fail before they are renewed we are comfortable that this is manageable and overall the combination of measures present a good balance among the different factors that we have had to consider.

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<sup>19</sup> Unless new technology provides an economical alternative and loan funding of rate spikes is not required.

## Investing In Our Communities

Making the Kaipara an easy place to live is a key goal for Council. Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature. Through the range of services that we deliver and our community leadership role we can make a significant contribution to the future success of the District. The delivery of these services will be efficient, effective and appropriate for the circumstances, both now and in the future.

Council's desire to contribute needs to be balanced with the need to keep rates at an affordable level and for the organisation to operate in a financially prudent manner. We recognise that there are limits to the level of rating that the community can afford to pay. In this regard Council has compared its levels of rating with the threshold for an affordable level of rating against the median household income as suggested by the Rates Inquiry<sup>20</sup>. We also need to strike a fair balance between what today's ratepayers pay for, the assets and services they consume versus those who will come in the future, and ensure we are able to deal with the unexpected when it happens.

Operating in a financially sustainable way is a delicate balancing act. The Long Term Plan 2012/2022 as amended in 2013/2014 moved towards achieving a more appropriate balance over time by reducing our levels of debt and increasing our rating base so that today's ratepayers are paying for the services that they receive. Council believes that we need to support our communities by providing for renewals, being mindful of our level of debt and preserving a more conservative financial position in order to reduce risk and increase flexibility and resilience for the future.

Making this happen will require \$468 million in operating expenditure and \$183 million of capital expenditure over the 10 years of the Plan. A significant driver of this expenditure is the need to operate and maintain Council's assets. Of the total operational spend, around 67% is directly related to the delivery of core infrastructural asset services (roading, water supply, stormwater and wastewater services). Core infrastructural assets account for around 91% of Council's capital expenditure.

The pie charts below show the allocation of expenditure to the different activities. It is important to recognise that roads and footpaths are the single biggest expenditure item, representing 39% of operating expenditure and 67% of capital expenditure. Most of this expenditure relates to roading. The next biggest activity is Sewerage and the Treatment and Disposal of Sewage at 19% and 9% for operating and capital expenditure respectively. The MCWWS alone represents approximately 76% of the total operating expenditure for the sewerage activity.

<sup>20</sup> The Local Government Rates Inquiry report indicated that rates are affordable if they equate to 5% of gross household income.



Figure 4a: Operating expenditure \$468 million over the next 10 years by activity

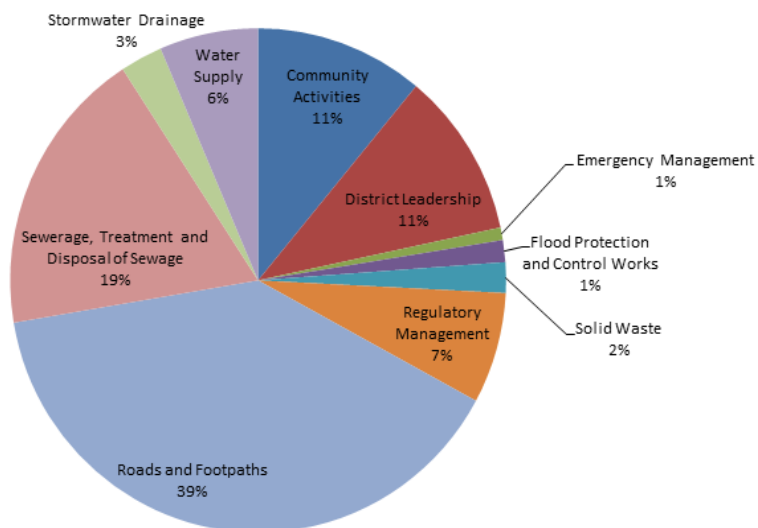
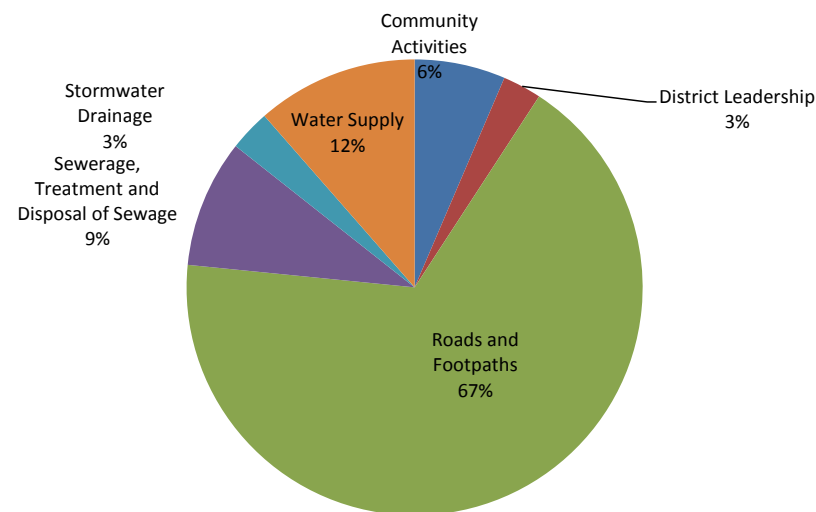


Figure 4b: Capital expenditure \$183 million over the next 10 years by activity



Council's assets at the beginning of the period (forecast for 30 June 2015) are \$585 million and at the end of the 10 years are forecasted to be \$826 million as at 30 June 2025<sup>21</sup>.

### Funding the investment

Council will fund our forecasted expenditure primarily through rates, user charges, NZTA funding, and Development Contributions. We are also funding past expenditure through borrowings. This section describes our general strategy around how we intend to use these sources of funding and indicates some of the key risks. It also outlines our limits in these areas.

The specific funding mechanisms for each activity (and hence how the funding raised will be used) are set out in the Revenue and Financing Policy.

<sup>21</sup> Please refer to the page for Property, Plant and Equipment on the Prospective Statement of Financial Position.

## Rates

Rate funding is applied to operating expenditure after other available funding sources have been used. Rates are also collected for renewals via depreciation and provisions for funding debt on loans.

Historically, Council collected around 45%<sup>22</sup> of its income from rates. This compared with a national average of approximately 61% and needed to increase significantly if we were to address our financial challenges. In 2014/2015 Council set rates at 53% of total revenue which is well within the national level indicated above. The average for the 10 years of this Plan is around 59%. We will maintain a maximum limit of 75%.

Total Amount of Income Derived from Rates in Kaipara	59%
Total Average Amount of Income Derived from Rates Nationally	61%
Maximum Rate Limit in Kaipara District	75%

**Figure 5: Annual Operating Rates Revenue and Forecasted Movements 2015/2025<sup>23</sup>**

Year End June	2015 <sup>24</sup>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Rates (\$m)	26.5	27.9	28.8	29.9	31.0	32.0	33.1	34.3	35.6	36.8	38.1
Total Revenue (\$m) <sup>25</sup>	50.0	47.2	47.5	49.7	53.6	58.2	56.0	57.4	59.4	61.4	63.6
Total Rates % of Total Revenue <sup>26</sup>	53.13%	59.03%	60.62%	60.06%	57.72%	55.08%	59.16%	59.84%	59.90%	59.95%	59.87%
Forecast Increase For Total Rates	2.51%	4.94%	3.45%	3.65%	3.69%	3.45%	3.37%	3.67%	3.59%	3.50%	3.42%
Total Rates Increase Limit	5.1%	4.94%	4.5%	4.5%	4.6%	4.8%	4.9%	5.0%	5.2%	5.4%	5.5%

In the last Long Term Plan 2012/2022, we set a limit for increase of revenue we derive from rates at the LGCI<sup>27</sup> level plus a 2% margin that was intended to accommodate new capital works projects from time to time which would place extra pressure on rating levels or the need to adjust the timing of particular projects.

<sup>22</sup> 2010/2011 Annual Report.

<sup>23</sup> Excluding rate penalty estimates.

<sup>24</sup> Annual Plan 2014/2015.

<sup>25</sup> Excludes non-cash items.

<sup>26</sup> Calculated on \$000's.

<sup>27</sup> Rounded to one decimal place.

The projected increase of revenue we derive from rates was around 3.1% for 2015/2016. Our current projections for revenue we derive from rates shows an increase from \$26.5 million in 2014/2015 to \$27.8 million. This represents 4.94% above the rates revenue for the 2014/2015 year<sup>28</sup> which is made up of an increase in the general rates of 4.60%<sup>29</sup>, a new targeted rate for roading contributing to 1.47% of the rates increase with other targeted rates contributing 0.06% of the increase. We believe that we will be able to limit the increase of revenue we derive from rates to the LGCI plus 2% in the subsequent years of the Long Term Plan 2015/2025. It is important to recognise that the percentage increases outlined above are only averages. Hence, the specific rates paid by an individual ratepayer could vary widely around this number with some being higher and others being lower. In addition, the specific targeted rates (e.g. water and wastewater) applying to a particular property will also need to be considered. Tables showing the impact of the movements on a selection of individual properties are included in the Funding Impact Statement set out in this Long Term Plan.

In developing the above limits Council has sought to balance ratepayer affordability, the demands for services and maintenance of its assets with its need to be financially sustainable.

### Rating Structure

Council has undertaken a review of its rating structure. The Revenue and Financing Policy and the Funding Impact Statement set out in this Long Term Plan, incorporates Council's rating structure.

With two exceptions, the rating structure is largely unchanged from the structure developed for the amendment to the Long Term Plan 2012/2022 adopted in June 2013 and in place for the Annual Plan 2014/2015. The exceptions are a new targeted rate for exotic forestry and a change to the way the Te Kopuru wastewater net charge is calculated.

The key elements of the structure are:

- General rate
  - Calculated on Land Value with two differentials (100% for residential and lifestyle land under 2 hectares; 155% for all other land use categories)
  - UAGC set at \$708.00 which is close to the maximum limit permitted under the Local Government (Rating) Act 2002;
- Network infrastructure rates;

<sup>28</sup> Compared to 9.3% and 2.51% for 2013/2014 and 2014/2015 respectively. All rate percentage increases quoted exclude rates penalties.

<sup>29</sup> General rates contribute 3.41% of the rates increase overall. Base rates have increased 3.47% and this together with the new targeted rate for forestry roads of 1.47% makes up the 4.94% total rates increase.

- There is one rate for each scheme (except for the Te Kopuru wastewater scheme), made up of operating costs (excluding depreciation and interest) across the District divided by the number of units in the District, together with individual scheme costs for defined capital costs (including funded depreciation, interest and loan repayments) for each scheme divided by the number of scheme users. Specifically:
  - Stormwater. Targeted rates for the five networks (Baylys, Dargaville, Te Kopuru, Kaiwaka and Mangawhai) are funded based on land value;
  - Wastewater. Targeted rates for five schemes (Dargaville, Glinks Gully, Maungaturoto, Kaiwaka and Mangawhai) at 100% connection charge, 75% connectable charge and 50% for multiple pans beyond the second (non-residential only). The charge is per SUIP for residential purposes and per rating unit and pan for non-residential;
  - Water. Targeted rate for six networks (Dargaville (including Baylys), Glinks Gully, Ruawai, Maungaturoto (Station Village), Maungaturoto (Township) and Mangawhai) on a differential basis between metered and other properties. Volumetric charges apply for the metered properties and a fixed amount for other properties;
- Te Kopuru wastewater. For affordability reasons, Council has calculated the targeted rate for the Te Kopuru network separately on a scheme basis pending an investigation of alternative options. Alternatives for Glinks Gully will also be investigated, but for affordability reasons this scheme has been calculated in the same manner as all other schemes (as set out above). For Te Kopuru, there is one rate for the scheme made up of individual scheme costs. Specifically:
  - A targeted rate at 100% connection charge, 75% connectable charge and 50% for multiple pans beyond the second (non-residential only). The charge is per SUIP for residential purposes and per rating unit and pan for non-residential; and
- Other targeted rates
  - Land Drainage. 29 targeted rates for the 29 committees, value based rates on undifferentiated land value for 28 schemes and differentiated land value for Raupo.
  - Mangawhai Harbour Restoration Area undifferentiated uniform charge.
  - Ruawai Tokatoka Hall area an undifferentiated uniform charge.
  - Forestry Targeted rate. A value based rate on undifferentiated land value for exotic forestry properties.
  - Mangawhai Community Wastewater Scheme (MCWWS). Four capital contributions continue to fund part of the capital cost of the MCWWS and to ensure equity amongst current and future users of the scheme.

The Funding Impact Statement, which forms part of this Long Term Plan, sets out the structure in more detail and illustrates this impact on sample properties.

## Mangawhai Community Wastewater Scheme

One of the key issues Council considered as part of the original Long Term Plan 2012/2022 was the introduction of additional rating and development contributions to pay for the capital cost of the MCWWS and who should fund it and how it should be applied. The debt attributable to the MCWWS was \$58 million of the \$79 million debt at June 2012. This level of debt was, under the original funding arrangements prior to the adoption of the Long Term Plan 2012/2022, forecast to grow significantly as interest and other operating costs were to be funded from additional borrowing until further development had occurred.

The previous Council was of the view that a more conservative approach to funding the Scheme was required, particularly in light of the prevailing economic environment. The challenges associated with doing this are increased by the fact that at the time there was the equivalent of 1,987 users for a scheme that was designed to have 4,300 users. It is recognised, however, that there is some ability to increase the number of users connected by extending the reticulation network within the existing scheme area or “drainage district”.

The funding of the capital costs of the scheme is an important issue. The scheme has been built and largely funded by borrowing. Council was not, partly as a result of the drop in the level of new development, receiving sufficient income to repay the principal associated with these loans.

With the Long Term Plan Amendment adopted with the Annual Plan 2013/2014, the attribution of debt and rates for the different communities' debt allocations was refined further, as set out in Table 6a.

**Table 6a: Attribution of \$58 million Mangawhai Community Wastewater Scheme debt to communities<sup>30</sup>**

	\$million	\$million
Existing community (connected and connectable)		13.4
		<b>13.4</b>
District-wide Tranche 1 (balance capital cost)	11.3	
District-wide Tranche 2 (prior operating deficits)	7.1 <sup>31</sup>	
		<b>18.4</b>
<b>Sub-total current communities</b>		<b>31.8</b>
Development years 1 – 10	6.0	
Development years 11 and over	20.2	
<b>Sub-total future communities</b>		<b>26.2</b>
<b>Total</b>		<b>58.0</b>

<sup>30</sup> i.e. Debt allocations as set out in the Long Term Plan Amendment adopted with the Annual Plan 2013/2014.

<sup>31</sup> The \$7.1 million principal will be repaid from 2015.

The funding allocations outlined above reflect a move to match the costs of the component parts of the Scheme between existing and future users and to reflect the wider community interests. Prior to the adoption of the Long Term Plan 2012/2022, the wider community benefits and obligations were not recognised in the funding model and a disproportionate share of the cost of building the Scheme for existing users was either allocated to growth or deferred for payment by future generations. This approach is simply not sustainable in today's environment and it was important that the funding model was implemented and is developed further as new information comes to hand.

The position at 30 June 2014 is set out in Table 6b.

**Table 6b: Attribution of \$58.5 million Mangawhai Community Wastewater Scheme debt to communities at 30 June 2014**

	\$million	\$million	Funding Sources for repayment of debt <sup>32</sup>
<b>Existing community (connected and connectable)</b>		<b>12.7</b> <sup>33</sup>	Targeted rates for the balance of the initial contribution <sup>34</sup> together with the capital component of the network charge <sup>35</sup> . Refer to the Funding Impact Statement which forms part of this Long Term Plan for further information.
District-wide <sup>36</sup>			
Tranche 1 (balance capital cost)	11.2		
Tranche 2 (prior operating deficits)	7.1		
<b>District-wide Sub-total</b>		<b>18.3</b>	General rates (part of the UAGC). <sup>37</sup> Refer to the Funding Impact Statement which forms part of this Long Term Plan for further information.
<b>Current communities Sub-total</b>		<b>31.0</b>	
Development			
Years 1-10	6.1		Development Contributions (\$18,244 for 2014/2015) <sup>38</sup> . Refer to the Development Contributions Policy which forms part of this Long Term Plan for further information.
Years 11 and over	21.4		Development Contributions.
<b>Future communities Sub-total</b>		<b>27.5</b>	
<b>Total</b>		<b>58.5</b>	

<sup>32</sup> And associated interest.

<sup>33</sup> The \$12.7 million was been calculated by taking 70% of the scheme cost as indicated during the consultation period in 2006 less what has been invoiced as capital contributions (or "one-off" targeted rates) which amount to \$13.4 million less subsequent loan repayments.

<sup>34</sup> To fund the original tranche of \$4.2 million over 30 years.

<sup>35</sup> To fund the original tranche of \$9.2 million over 30 years.

<sup>36</sup> The district-wide debt will be progressively reduced over the 10 years of the Long Term Plan 2015/2025.

<sup>37</sup> To fund the tranche of \$18.4 million over 30 years originally.

<sup>38</sup> Development Contributions fund \$6.1 million in year 1 to year 10 and a further \$21.4 million after year 11 and capitalised interest.

For the 10 years of the Long Term Plan 2015/2025 three factors are of particular note:

- 1 Development Contributions projections have been updated to reflect the actual level of income received to date and revised projections about the level that will be received in future. The impact of this is that repayment of the future community portion of the debt will be over the next 40 years (to 2054), rather than in the same timeframe as the other segments of the debt (variable over 30 years to 2042).
- 2 Debt of around \$16.8 million will be paid off the district-wide and existing community's share of debt (\$14.3 million and \$2.5 million respectively).
- 3 Currently a review of development and charging for the scheme is underway. The goal is to look for economically sensible options for extending the current reticulation system so that additional households can be connected<sup>39</sup>. Once completed a proposal will be developed for consultation with the community. This Long Term Plan is not anticipating the outcome of that process. The current funding policy positions remain in place for Long Term Plan 2015/2025. In the meantime, pending the outcome of the review, an additional amount of \$2.7 million for extension of the network has been provided for in the later years of the Plan.

No other changes have been made to the projections for this scheme, pending the review of options discussed above.

Debt attributable to the MCWWS is projected to fall from \$58.8 million forecast for the end of 2014/2015 to \$47.2 million at the end of 2024/2025 as set out in Table 6c.

**Table 6c: Attribution of \$47.2 million Mangawhai Community Wastewater Scheme debt to communities at 30 June 2025**

	\$million	\$million
Existing community (connected and connectable)		10.2
		<b>10.2</b>
District-wide Tranche 1 (balance capital cost)	3.7	
District-wide Tranche 2 (prior operating deficits)	0.0	
		<b>3.7</b>
<b>Sub-total current communities</b>		<b>13.9</b>
Development years 1 – 10	0.0	
Development years 11 and over	33.3	
<b>Sub-total future communities</b>		<b>33.3</b>
<b>Total</b>		<b>47.2</b>

<sup>39</sup>The Long Term Plan 2012/2022 and the Amendment to the Long Term Plan incorporated growth projections for additional connections and the capital expenditure that Council would need to incur in order to connect them. In addition, the lot owner, if a grinder pump is required where there is no gravity, may incur up to \$10,000 to connect to the system. Council needs to review the feasibility or timing of connecting in these circumstances.

In summary, the communities fund interest and net principal<sup>40</sup> as follows over the 10 years:

**Existing community:** Total payments \$9.6 million, made up of interest (\$7.1 million) and net debt repayments of \$2.5 million. Debt at 2025 is \$10.2 million

**District-wide:** Total payments \$21.3 million, made up of interest (\$7.0 million) and debt repayments of \$14.3 million. Debt at 2025 is \$3.7 million

**Future communities:** Total payments (net) \$4.0 million, made up of interest (\$9.1 million) and net debt additions<sup>41</sup> of \$5.1 million. Debt at 2025 is \$33.3 million.

Key elements of the current funding for repayment of the scheme debt that was introduced in 2013/2014 are set out as follows:

- Repayment of the principal associated with each of the loans will occur over a 30 year period beginning in 2013/2014 for the existing community and the district portions of the debt;
- Repayment of the principal associated with each of the loans attributed to the future communities will occur over a 40 year period from 2015/2016;
- All those who are connected or connectable at 30 June 2013 have paid, or will pay, an initial capital contribution, either as a targeted (or capital) rate or a Development Contribution;
- Properties that are paying their initial capital contribution (or targeted rate) towards the capital cost of building the scheme in instalments spread over a 30 year period will continue unless they elected to pay in full<sup>42</sup>. The capital contribution of \$8,397 (GST inclusive) payable over 30 years with annuity interest of 6.99% gives an annual rate of \$676.00 (including GST);
- Properties that are paying their initial capital contribution (or targeted rate) towards the capital cost of building the scheme in instalments spread over a 25 year period will continue unless they elected to pay in full<sup>43</sup>. There are three variations for these properties depending on how many instalments they had previously been invoiced for:
  - The remaining<sup>44</sup> capital contribution is \$6,210.50 (GST inclusive) payable over 21 years with annuity interest of 6.99% giving an annual rate of \$569.95 (including GST) for those who had been invoiced for four instalments;
  - The remaining capital contribution is \$6,728.10 (GST inclusive) payable over 22 years with annuity interest of 6.99% giving an annual rate of \$606.31 (including GST) for those who had been invoiced for three instalments, and
  - The remaining capital contribution is \$7,261.30 (GST inclusive) payable over 23 years with annuity interest of 6.99% giving an annual rate of \$643.26 (including GST) for those who had been invoiced for two instalments;

<sup>40</sup>The funding provision of \$2.7 million is in addition to this and is subject to the outcome of the review.

<sup>41</sup>Debt repayments less any additional capital expenditure plus notional capitalised interest.

<sup>42</sup> There was also an option to postpone payment for seven years, but this has largely not been taken up.

<sup>43</sup> There was also an option to postpone payment for seven years, but this has largely not been taken up.

<sup>44</sup> \$8,397.00 less what has already been invoiced, allowing for GST.



- The annual targeted rate, which incorporates a district-wide amount for defined operational costs together with a scheme-based charge per SUIP/pan, is for those currently connected and connectable properties<sup>45</sup>. The capital component of this targeted rate is to fund the balance of the debt for the existing community (i.e. connected and connectable properties). The annual targeted rate for 2015/2016 is \$1,069.40 (GST inclusive) in total;
- New development and/or new connections will pay via Development Contributions as outlined in the relevant Development Contributions Policy. These are currently set at \$21,237 (excluding GST) per unit of demand for the 2015/2016 year followed by ongoing rates as with other wastewater schemes in the District; and
- There is no change to the debt allocated to the District as a whole. The debt is to be repaid in tranches over the previously forecasted 30 year period. District-wide costs will be collected via general rates. For 2015/2016 an amount of \$237.17 (GST inclusive) is included in the UAGC paid by all ratepayers.

### **Roading Activity Funding**

Roading costs are a dominant feature of Council's costs.

In the interim, operating costs amount to around \$184 million or 39% of the operating budget over the 10 years covered by this Plan. Capital costs also amount to \$123 million or 67% over the same period. It is important to balance the allocation of the costs associated with roading between those who benefit from the activity and those who create additional maintenance demands (i.e. exacerbators).

Roading costs in the general rate contribute to differentials on land use categories (100% for residential and lifestyle land under two hectares; 155% for all other land use categories). This reflects the view that roads are a public good where everyone benefits and can use them and that there is a difference, assessed by using land use categories, as to how much each category uses the roading network and the extent to which they contribute to the costs of the network.

A Forestry Roding Targeted Rate will be introduced in 2015/2016 for the six years to 2021 in order to fund the impact of forestry and logging trucks and maintain close to current standards on Council roads. An amount averaging \$0.7 million per annum for three years followed by \$1.0 million per annum for the next three years is to ensure that Council-owned roads used by forestry and logging trucks can be maintained at close to current standards during the current round of harvesting. The funding represents a local, rates funded share of \$390,000 per annum with a contribution from NZTA for the balance.

In addition, an amount totalling \$3.4 million has been included for expenditure in years ended 2017 and 2018 funded from previous years.

Further detail is set out in the Funding Impact Statement included in this Long Term Plan.

<sup>45</sup> This is consistent with wastewater charges for other schemes in the District.

## **Water Supply, Stormwater and Wastewater Services**

We believe that the District as a whole benefits from having healthy and vibrant urban areas. Everyone needs to go to town to visit shops and complete their day to day business. The creation of urban or residential areas can lead to the need for reticulated systems, such as for water supply and stormwater. These systems ensure that wastewater and stormwater, for example, are disposed of in environmentally acceptable ways while also protecting public health.

Given the broader public benefits associated with these services Council believes that it is appropriate that a portion of these costs should be funded via the general rate. This funding of scheme stormwater costs from the general rate remains at 10% for the life of the Plan.

The status quo also remains for the calculation of water supply, stormwater and wastewater network charges (i.e. defined operating costs averaged across the schemes with defined capital costs are charged per individual scheme).

Further detail is set out in the Revenue and Financing Policy and the Funding Impact Statement included in this Long Term Plan.

## **Fees and User Charges**

Fees and charges are applied where there is a clear link between the user and the service. This area includes the regulatory Fees and Charges that are set out as part of this Plan and activity charges such as water rates. Activity revenue is forecasted to be \$82 million over the 10 years of the Plan. The full cost of the service is charged where possible although there is sometimes an element of public good included in the service which is funded by the general rate. Further details are set out in the Revenue and Financing Policy.

## **NZ Transport Agency Funding and Grants**

Council is projecting to receive \$48 million in operating revenue and a further \$72 million for capital works predominantly from the NZTA for roading. This level of funding reflects the 61% funding assistance rate for the 10 years of the Long Term Plan 2015/2025 for most undertakings. This means that existing base levels of service can be funded without increasing the rating input. A reduction of funding of any significance would have a corresponding impact on our roading network. We have assumed that central government will continue to provide funding as indicated on 10 and 15 April 2015 for most transport projects in the future.

## **Development and Financial Contributions**

Income from Development Contributions has been calculated in accordance with the Development Contributions Policy which forms part of the Long Term Plan. It relies on the identification of the growth related portion of capital expenditure and assumptions about the rate of growth. The growth assumptions need to be continually monitored to ensure that our forecasts are on track.

Council is projecting to receive Financial and Development Contributions of \$11.4 million for growth related capital expenditure (including the MCWWS) over the 10 years of the Plan.

**Figure 7: Forecasted Development and Financial Contributions 2015/2025 (\$000's)**

Year end June	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Development Contributions	398	401	400	481	547	594	640	688	757	826	5,732
Financial Contributions	500	512	525	538	554	569	587	605	625	647	5,662
<b>Total Contributions</b>	<b>898</b>	<b>913</b>	<b>925</b>	<b>1,019</b>	<b>1,101</b>	<b>1,163</b>	<b>1,227</b>	<b>1,293</b>	<b>1,382</b>	<b>1,473</b>	<b>11,394</b>

### Other Income

Council is projecting to receive income from other sources of \$3.9 million over the 10 years of the Plan. It is primarily made up of local authority fuel tax, fines and infringement fees.

### Investments

Our Investment Policy was adopted on 28 October 2014 and is available on Council's website.<sup>46</sup>

Council is currently a net borrower and is likely to remain so for the foreseeable future. We will look to internally borrow in the first instance to meet future capital expenditure requirements, unless there is a compelling reason for establishing external debt. Investments are maintained to meet specified business reasons. Unless otherwise determined by way of Council resolution, internal borrowing to/from reserves will be undertaken at the external cost of borrowing, or in accordance with the fund agreements.

In our financial investment activity, our primary objective when investing is the protection of Council's investment capital. As a result we adopt a conservative approach to the risk/return trade-off. Accordingly, only approved creditworthy counterparties are acceptable.

The LGFA is an acceptable counterparty for both investments and for borrowing. This is explicitly covered in both the Investment and Liability Management policies.

Council owns a number of forestry assets which are held as long term investments on the basis of net positive discounted cashflows, factoring in forecasted market prices and annual maintenance and cutting costs. All income from forestry is included in the consolidated revenue account. Any disposal of these assets requires specific approval.

<sup>46</sup>A copy of this report is available on the Council website ([www.kaipara.govt.nz](http://www.kaipara.govt.nz)).

Council has an equity investment in the New Zealand Local Government Insurance Corporation Limited. This investment is held for strategic business purposes and we do not seek to make a given rate of return from it.

Any other potential equity investments will only be considered if they are seen as contributing to a strategic business need.

Council's overall objective is to own only property that is necessary to achieve its strategic objectives. As a general rule we will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output. We review property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. We generally follow similar assessment criteria in relation to new property investments.

All income, including rentals and ground rent from property investments is included in the consolidated revenue account.

### **Our Investment Targets**

- Internal borrowing to/from reserves will be undertaken at the weighted average external cost of borrowing, or in accordance with the fund agreements;
- We will aim to exceed the weighted average official cash rate over the financial year from any external financial investments;
- We do not seek a particular dividend return from our investment in the New Zealand Local Government Insurance Corporation Limited. We hold this investment for strategic business purposes; and
- We aim to make a market average return on our forestry investments.

### **Borrowing**

Council's Liability Management Policy was adopted on 28 October 2014 and is available on Council's website<sup>47</sup>. Normally we would borrow to fund new capital expenditure and repay the debt over the life of the loan to promote intergenerational equity and manage the impact of significant expenditure over time. Borrowing is also used to address timing issues and to fund short term needs.

We utilise internal reserves before borrowing externally and this internal borrowing is effectively on call. As a general rule, Council provides rates revenue as security for our borrowings. In exceptional cases a charge over a particular asset could be considered.

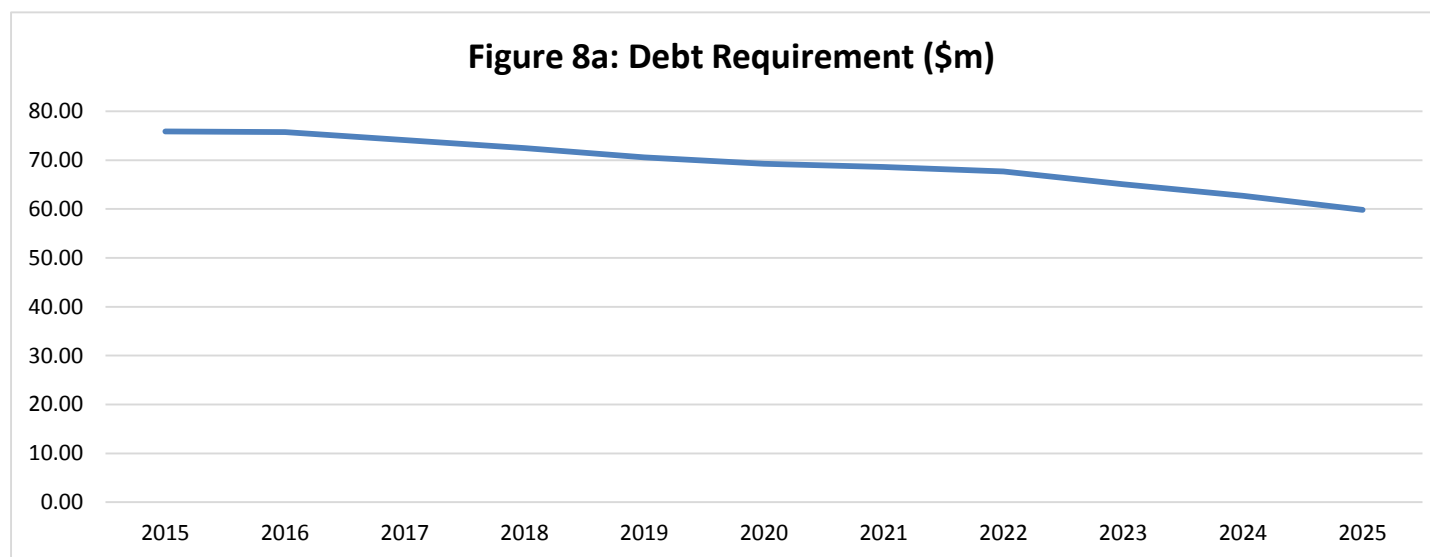
In future it is anticipated that we will source borrowings through the LGFA along with traditional sources in order to achieve the lowest possible cost of debt.

<sup>47</sup> A copy of this report is available on the Council website ([www.kaipara.govt.nz](http://www.kaipara.govt.nz)).

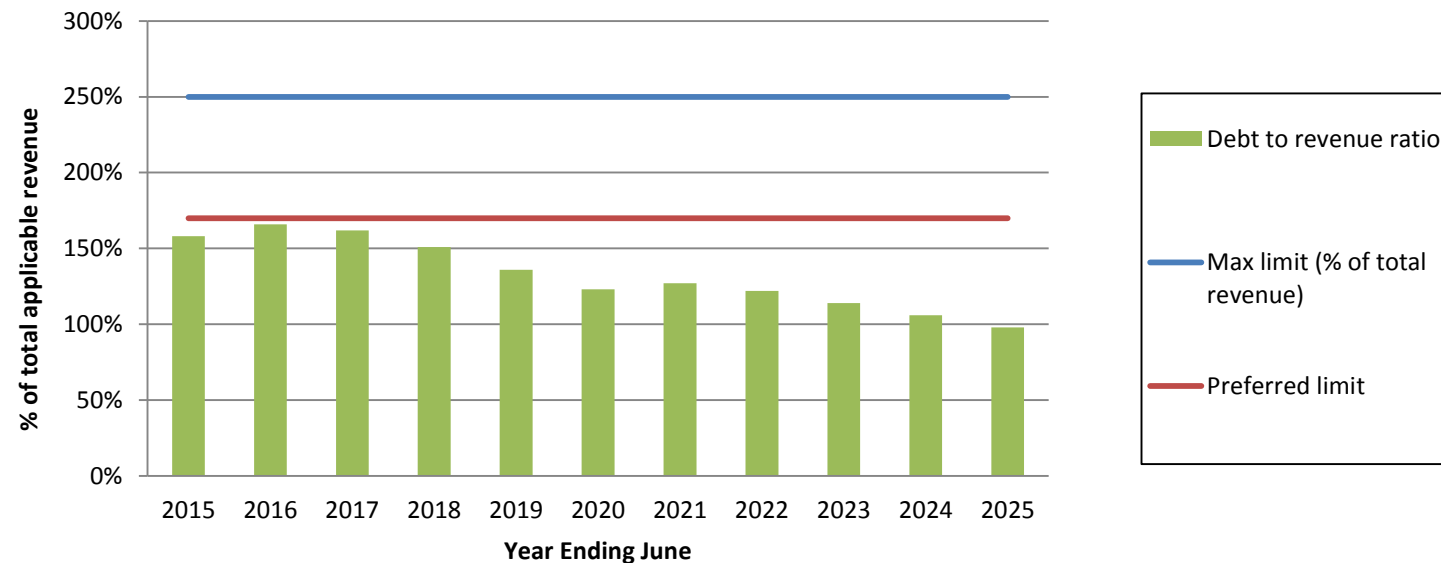
Our biggest risk in regards to borrowing is that there is an increase in interest rates. We manage this risk by maintaining an interest rate strategy, keeping the debt profile within policy limits and by maintaining adequate liquidity facilities. Council expects to be able to refinance these loans at that time and is putting in place a strategy to ensure that this can be achieved.

Council's external debt was \$76.3 million at 30 June 2014. Over the 10 years of this Long Term Plan we plan to continue to repay external debt in order to return to more prudent and financially sustainable levels. This strategy will also create greater flexibility to deal with unexpected changes or events. The forecasts in this Plan show debt requirements reducing to around \$60 million by 30 June 2025.

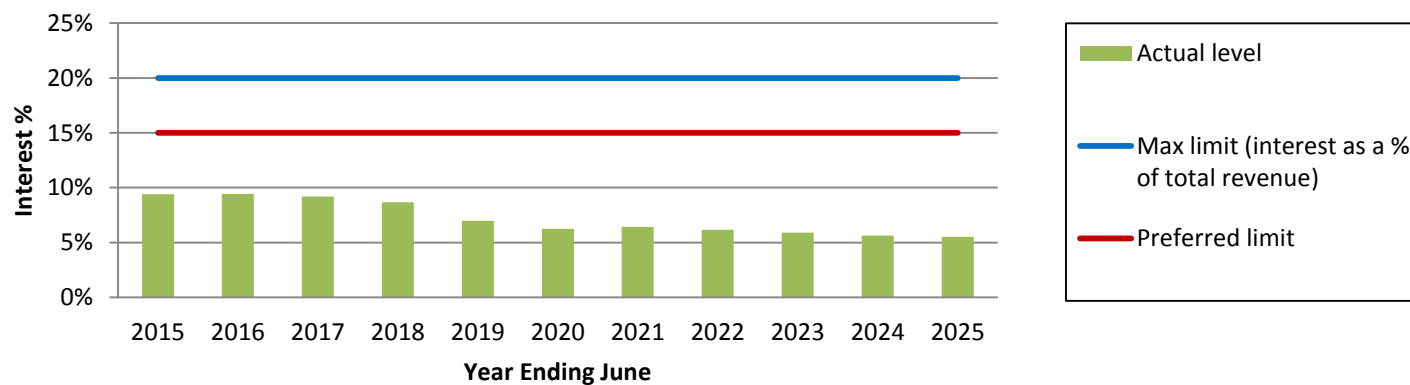
Council has set debt limits in order to provide services, undertake its stewardship obligations while managing its debt and keeping it within fiscally responsible levels. The graphs below show the debt requirements (projected debt plus increasing capacity to fund reserve expenditure) over the 10 years and compares them with Council's maximum allowable limit and the preferred limit. It shows that the debt to revenue ratio steadily declines and that it is within Council's preferred limit at all times during the 10 years of the Long Term Plan 2015/2025.



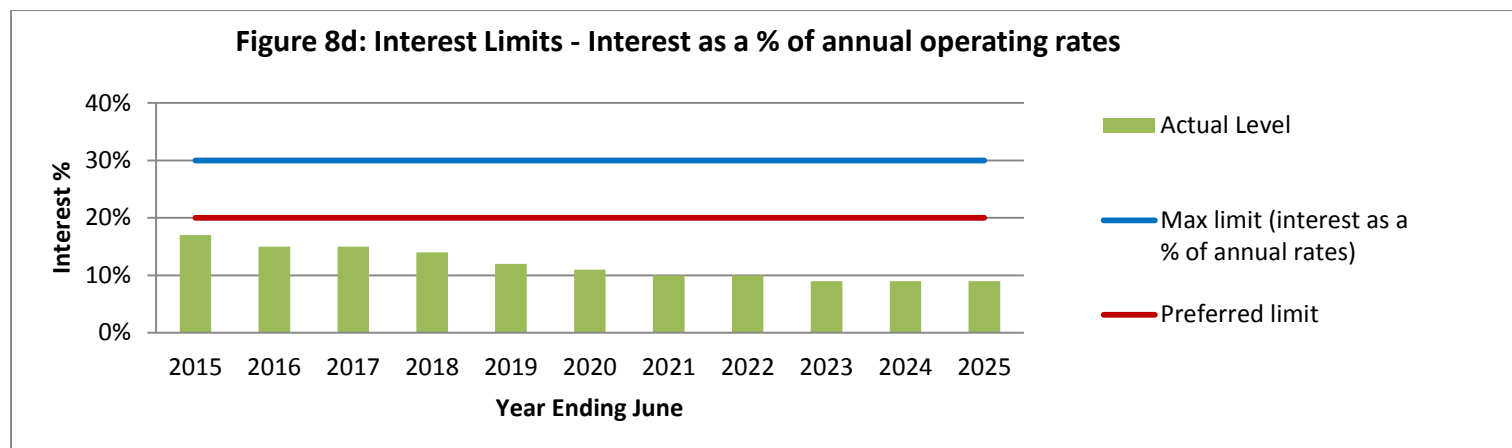
Debt requirements decrease from forecast \$75.9 million at June 2015 to \$59.8 million at June 2025.

**Figure 8b: Projected debt ratios compared to Council's maximum and preferred debt ratios**

At all times the debt to revenue is within Council's preferred limit of 170% debt to revenue.

**Figure 8c: Interest Limit as a % of total revenue**

At all times this interest ratio is below Council's preferred limit.



At all times this interest ratio is below Council's preferred limit.

During the course of the Long Term Plan 2015/2025, debt projections are generally lower than the debt requirement because of internal borrowing<sup>48</sup>. However, the debt requirement and therefore capacity is needed for the time that these funds are called on. As a result the ratios are calculated on debt requirements rather than debt projections. The difference between the two is shown in the table below.

**Figure 9: Public debt projections compared to public debt requirements 2015/2025 (\$millions)**

Year End June	2015 <sup>49</sup>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Opening debt		75.9	74.5	72.6	70.7	67.1	63.1	60.4	57.2	55.2	54.0
Less repayments		0.2	1.6	1.7	1.9	1.3	0.6	0.9	2.6	2.4	2.9
Less (plus) operating reserves		1.2	0.3	0.2	1.7	2.7	2.1	2.3	-0.6	-1.2	-2.0
<b>Public Debt projections</b>	<b>75.9</b>	<b>74.5</b>	<b>72.6</b>	<b>70.7</b>	<b>67.1</b>	<b>63.1</b>	<b>60.4</b>	<b>57.2</b>	<b>55.2</b>	<b>54.0</b>	<b>53.1</b>
Plus requirement for reserves		1.2	1.5	1.7	3.4	6.1	8.2	10.5	9.8	8.7	6.7
<b>Public Debt requirement</b>		<b>75.7</b>	<b>74.1</b>	<b>72.4</b>	<b>70.5</b>	<b>69.2</b>	<b>68.6</b>	<b>67.7</b>	<b>65.0</b>	<b>62.7</b>	<b>59.8</b>

<sup>48</sup> In accordance with Council's Treasury Management Policies.

<sup>49</sup> Annual Plan 2014/2015.

## Financial Risk

The Commissioners are mindful that Council is operating in an environment of relatively high financial risk. Considerable attention has been given towards quantifying and addressing this risk. There are five main areas of risk:

- Debt level. At June 2014 the debt was \$76.3 million, the level of debt is higher than Council would like. The Commissioners continue with a more assertive approach to debt reduction. From 2014/2015 on, Council's debt projections are below the preferred limit of 170% debt to applicable revenue;
- Development. As with all local authorities that undertake significant capital works in advance of development with the anticipation that the development will fund the expenditure over time, there is a risk that the development will not occur. To mitigate this risk, Commissioners decided to fund a higher proportion of interest of the debt attributed to developers rather than capitalise most of it. In addition, the Development Contributions Policy has been reviewed, along with growth and other assumptions, and the updated projections have been incorporated in this Plan;
- Historical irregular rates. Council's position has significantly improved now that the irregular rates have been validated and the decision from the Judicial Review in the High Court has been released. There remains only the Appeal and the Council is defending those proceedings<sup>50</sup>;
- Funding risk. Council's bankers continue to support the Council. Council is also working towards being able to source funding from the LGFA. The risk to Council is not so much being able to borrow however, rather, the cost of that borrowing. While there is still remains an appeal, our actual debt ratios are below the level set down by the LGFA from forecast 30 June 2015 and the indications going forward are positive. One of the implicit requirements that came out of the decision on the Judicial Review is the need to consider Council's options regarding debt obligations<sup>51</sup>. This Council believes that it is in the best interests of the District to honour debt obligations and the Long Term Plan 2015/2025 has been written on that basis. It is neither necessary nor desirable (from a Council or an industry perspective) to default on any obligations. Council manages these obligations in accordance with external advice on an ongoing basis; and
- Interest rate risk. The interest rate projections included in this Long Term Plan assume that, from 2018/2019, Council will be able to source funding at a margin equivalent to the one that the LGFA is able to achieve. If we are unable to achieve this lower cost of borrowing, Council will need to increase rates or reduce service levels to compensate. On current levels of debt, 1% equates to approximately \$760,000 per annum.

It is not possible to eliminate all risk. Council's current projections show that the risk profile is significantly reduced from the position at 30 June 2011. The movement to date and projected outlook is positive.

<sup>50</sup> CA331/2014 Mangawhai Ratepayers and Residents Association v Kaipara District Council.

<sup>51</sup> Comprehensive details of the issues are available in a report to the 24 June 2014 Council meeting from the Chief Executive titled "Debt Management" dated 11 June 2014 and the Addendum dated 23 June 2014. A copy of this report is available on the Council website ([www.kaipara.govt.nz](http://www.kaipara.govt.nz)).



### **Our Policies on Securities for Borrowing and Local Government Funding Agency Guarantee**

Just as with a mortgage for a property, Council gives securities against our borrowing from external lenders. If we defaulted on our loan payments, the lender would have access to those securities. Council will continue to secure its borrowing and interest rate risk management instruments against rates and rates revenue. We will also provide this security for our commitment under the Guarantee required to borrow from the LGFA. In unusual circumstances, security may also be offered by providing 'a charge' over one or more of our assets. Physical assets will only be charged where:

- There is a direct relationship between the debt and the purchase or construction of the asset which it funds;
- We consider a charge over physical assets to be appropriate; and
- Securities are not provided for our own internal borrowing.

### **Financial Implications of Service Provision**

The Council is required to provide a statement on our ability to provide and maintain existing levels of service and to meet additional demands for services within the rates and borrowing limits. As outlined in this Strategy for the 10 years to 2025 the expenditure incurred to maintain existing services, increase service levels and provide for additional capacity falls within the limits set in this Strategy and its associated financial policies.

### **Infrastructure Strategy – beyond the 10 years**

Kaipara's infrastructure – its roads, water, wastewater, stormwater and flood protection – are its backbone, making it easy to live in functional and connected communities. Infrastructure is Council's biggest spend. The funds needed to provide and keep this infrastructure working mainly come from rates. There are significant issues facing Council and ratepayers because this infrastructure is getting old and is in need of costly renewal. Some communities will not be able to afford the upgrades required on their own. The Infrastructure Strategy suggests the preferred way Council can deal with these issues.

In essence preferred options for maintenance, renewal and development of infrastructure covering the different assets classes have been developed using the criteria of maintaining appropriate service levels and affordability.

To this end, Council will generally institute an affordable renewals programme that meets consent conditions and addresses the backlog of renewals required over time. For water supply, stormwater and wastewater the programme will be refined as follows:

- a. Preliminary conditions assessments completed by 2018; and
- b. Detailed assessments with preferred approach by 2021.

In addition, for some of the smaller water supply and wastewater schemes Council will investigate alternatives for funding and/or the mechanism for provision of the service.

The first 10 years of the Infrastructure Strategy is covered in this Financial Strategy. At the end of the 10 years, debt requirements will be \$59.8 million which is considered a prudent and sustainable level for the long term. It provides Council with financial resilience and capacity should the need arise. Equally by the end of 2025, depreciation will be fully funded and provide for normal levels of renewals. Additional funding for catch-up renewals is incorporated in the 10 years of the Long Term Plan, from year one for roading, from year eight for wastewater and stormwater and for years four to seven for water supply. The combination of fully funded renewals together with the modest but affordable funding for additional expenditure will see the level of theoretical backlog diminish over a 30 year timeframe. These levels of funding, given current levels of knowledge and uncertainty, together with the available debt capacity should the need arise, is expected to provide for any essential renewal expenditure over the 30 years of the Infrastructure Strategy. This position will be revisited in 2018 and 2021 as further definitive information is available.

Further information is available in the Infrastructure Strategy included in this Long Term Plan.

# Infrastructure Strategy 2015/2045

## 1 Executive Summary

Kaipara's infrastructure – its roads, water supply, wastewater, stormwater and flood protection – are its backbone, making it easy to live in functional and connected communities. Infrastructure is Council's biggest spend. The funds needed to provide and keep this infrastructure working mainly come from rates, the general rate (plus NZ Transport Agency (NZTA) subsidies) for roads and mainly targeted rates for Three Waters infrastructure. There are significant issues facing Council and ratepayers for three main reasons:

- The Three Waters infrastructure has had insufficient investment in it historically and it is getting old and is in need of costly renewal (with the exception of Mangawhai wastewater);
- The heavy traffic from forestry harvesting is damaging our roads and, for the next six years, the maintenance and renewals programme will not be sufficient to respond to this; and
- Customer expectations are in some areas above the ability of Council to supply e.g. sealing of roads and/or managing dust from unsealed roads.

Some communities will not be able to afford the upgrades required to maintain current service levels on their own. This Strategy suggests the preferred way Council can deal with these issues, or the timeframe in which we will decide on how to deal with these issues.

Our strategic intent is to play our part in keeping living in Kaipara “easy” by:

- ensuring rates remain affordable;
- ensuring people and business have access to necessary services;
- ensuring regulation is enabling; and
- ensuring environmental quality is retained.

The strategic targets are in brief:

- Within the 30-year timeframe of this Strategy Council will have addressed the historical deficits in renewals in Three Waters infrastructure;
- Within five years all Three Waters infrastructure will be compliant with their consents;
- The Three Waters renewals programme will be based on robust asset knowledge to ensure efficient and targeted investment. The first six years will have significant condition assessments; and

- Within 10 years the roads will meet all service levels set by NZTA as required for resilience, traffic volumes and safety (depending on the nature of the implementation of the new One Network Road Classification (ONRC) programme by NZTA).

There are a number of factors similar in every option that is suggested, and some differences. The following are included in all options:

- 1 Depreciation will be fully funded by 2022.
- 2 Response maintenance will continue as it is currently applied.
- 3 Roads will continue to be funded by the general rate (with its differential), with an additional targeted rate on forestry properties to fund the strengthening of unsealed roads heavily used by logging trucks.
- 4 The current targeted rate regime for wastewater will continue – a targeted rate for each scheme, based on individualised scheme defined capital costs and defined operational costs averaged across the District, with those connected paying 100% of the rate and those able to be connected paying 75% of the rate. An exception will be made for Te Kopuru where the averaging of operating costs has a negative impact that would make being connected to the scheme unaffordable.
- 5 The current targeted rate regime will continue for Water Supply and Stormwater – a targeted rate for each scheme, based on individualised scheme defined capital costs and defined operational costs averaged across the District.
- 6 The current separate rates for Flood Protection and Control Works (including the Raupo District Drainage Scheme and 28 other defined land drainage schemes) will continue.
- 7 No new piping of open stormwater drains will occur except where funded by development.
- 8 Rates increases will be capped at the Local Government Cost Index (LGCI) plus 2%. Business & Economic Research Limited (BERL) set the LGCI annually.
- 9 No extension of areas covered by each service will be considered with the exception of MCWWS service.

### 1.1 Three Waters – Water Supply, Stormwater and Wastewater

Our aspiration is to work with the people of Kaipara to ensure that Kaipara is an easy place to live, to enjoy nature, to do business and to join in to the community. This is why affordability and environmental management are so important to us.

In addition to the standard factors, we propose three preferred options for maintenance, renewal and development of infrastructure covering the different assets for Three Waters, applied using the criteria of **affordability**, **access** and **environmental management**.

## Options

### ***Option 1: Enhanced status quo***

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### ***Option 2: Consider affordable alternatives***

Institute a maintenance approach (without renewals) for three years that:

- Maintains performance at current services levels, while we investigate alternatives for funding and/or provision of service.

### ***Option 3: Review service delivery model***

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses the backlog of renewals required over time while we investigate transferring asset to another provider e.g. community management, industry management based on dominant user/s.

Two further options have been included that apply to Dargaville only:

### ***Option 4: Self-supply***

Prohibit new connections on the periphery of the water supply zone in favour of self-supply (e.g. roof tank) to preserve the existing infrastructure, increase water conservation education and use water pricing to lower usage.

### ***Option 5: Pipeline***

Construct a pipeline (estimated cost \$2.8 million) from Waiatua Dam (Opanake Road) to Dargaville to improve security of supply during moderate droughts.

In three years, we will have decided the best way of providing services to the locations where the current services are likely to become unaffordable because of the age of the schemes, the small number of properties charged for the service and the cost of the renewal programme required to keep these schemes going. Council will work with these communities to look for affordable and viable options for the future. The two communities affected are Te Kopuru and Glinks Gully.

In six years, we will know the detailed condition of our assets so that we can plan for the robust programme for asset renewals and replacements. In 10 years, we will have a renewals programme in place to address the backlog in the next 20 years. In 30 years there will be no backlog.

### **1.2 Flood protection (including the Raupo District Drainage Scheme and 28 other defined Land Drainage District Schemes)**

Our aspiration is to work with the people of Kaipara to ensure that Kaipara is an easy place to live, to enjoy nature, to do business and to join in to the community. We want to ensure that productive land is not subject to floods to the extent that their productive capacity is compromised. To achieve this, we have set a target that all floodwater on productive land will be gone in three tides.

The current service levels are judged as appropriate for the full 30 years of this Strategy.

The Raupo Drainage Committee will continue to set its own service levels, and Council will consequently set a targeted rate to fund the work. The service levels for the other 28 drainage areas will continue to be set by the targeted rate contributors at an annual meeting. These service levels may need to lift over time with the effects of climate change, and the increase in severe weather events. The impact on rates is agreed between targeted rate property owners and varies from year to year.

### **1.3 Roads and Footpaths**

Our aspiration is to work with the people of Kaipara to ensure that Kaipara is an easy place to live, to enjoy nature, to do business and to join in to the community. For roading, this means we want all properties to be connected by a network that is always passable and safe.

We know that the biggest threat to achieving this is in the first six years, when forestry harvesting will cause damage to 55 roads (comprising 40% of the unsealed network and concentrated in the western area of the District); Council will prepare for this and strengthen the affected roads.

Roads maintenance and renewal is already managed under direction of NZTA, through eligibility of Council to collect funding. Council's strategy for work on roads is that we only do work on roads where there is a subsidy available from NZTA, or funding is collected through Financial and Development Contributions. The rates funding is part of the general rate, that has a differential to mark the different benefits of the roading network for different land uses e.g. 155% differential for all lifestyle blocks over 2ha and for all rural uses. The NZTA subsidy confirmed for the next 10 years is 61%. This is on average slightly more than in the past. There is no subsidy available for footpaths.

In 10 years we will have developed footpaths at least on one side of roads in urban areas. In three years there will be seal extensions completed for sections of Estuary Drive and Moir Point Road in Mangawhai, Black Swamp Road south of Mangawhai, and Settlement Road in Hakaru. All formed urban roads will be sealed in 10 years. Otherwise the current service levels are proposed to be maintained for the 30 years with the exception of:

- Heavily used heavy vehicle routes (especially forestry trucks) are likely to deteriorate in their condition, without additional funding. A targeted rate will provide extra revenue for strengthening high volume roads used by logging trucks;
- Response to more frequent severe weather events and the resulting damage to the network may require re-prioritising of renewal works; and
- The application of the ONRC system being implemented by NZTA (not yet fully known).

## 2 Introduction

Much of Kaipara's infrastructure – roads, water supply, stormwater, wastewater and flood protection, is aged or aging, and will need renewing in the next 30 years. In all communities renewing and maintaining infrastructure will have cost implications – Council relies on ratepayer funding to deliver infrastructure services. The Council needs to decide what services they provide, the level of these services, and how much they are willing to spend to get or maintain them. For some smaller communities, the cost of maintaining some infrastructure services may become unaffordable, due to the limited number of ratepayers available to pay for it.

In Mangawhai, the impact of a growing population and the extra pressure this will put on infrastructure in future years needs to be considered. Extra work and funding of infrastructure will be needed to deal with increased demand from this growth, but it needs to be affordable for ratepayers.

Affordability is also a key issue for Kaipara's roading network. Maintaining or increasing roading standards will result in increased costs, as the price of many of the materials needed to repair, maintain or improve roads have increased by 150% over the last 10 years. The Council needs to consider and agree what standards they want Kaipara's roads to be, and how much they are willing to spend to achieve this.

Kaipara District Council expects to spend \$699 million on new or replacement infrastructure over the next 30 years - 2015/2045. Over the same period \$667 million is expected to be spent on operational expenditure, excluding finance costs and depreciation. These figures are anticipated to be spread across the five infrastructural asset activities below:

Infrastructure Activity	Capital Expenditure (\$)	Operating Expenditure (\$)
Water Supply	110,450,051	57,410,131
Wastewater	96,014,978	165,065,296

Infrastructure Activity	Capital Expenditure (\$)	Operating Expenditure (\$)
Stormwater	31,389,680	28,541,732
Flood Management	1,558,718	25,210,474
Roads and Footpaths	459,736,774	390,400,862
<b>Total</b>	<b>\$699,150,201</b>	<b>\$666,628,495</b>

## 2.1 Risks and Associated Assumptions

The risks that Council will need to manage in relation to this Strategy include:

- Preparing for a decision whether or not to extend the number of connections to the Mangawhai wastewater plant (MCWWS). There is an Advisory Panel made up of six community members and two Commissioners who are considering the question of whether the reticulation network and disposal capacity should be extended to use more of the capacity of the plant. The business case for extension (or otherwise) will not be completed in time for inclusion in this Strategy or the Long Term Plan for 2015/2025. To prepare for a decision that the extension should proceed, a budget allowance has been included. This should not be read as a decision to extend. This is still to be decided;
- There are three schemes; one for water supply and two wastewater schemes that are situated in small communities with declining populations. The schemes are old and in need of asset renewal work, and the water plant will not produce water to the NZ Drinking Water Standard 2005 at the time it will be legally required. Under the current charging policy, the communities would be charged targeted rates to pay for the needed renewals and upgrade. This would make the rates far higher than is seen as affordable for these communities (Te Kopuru and Glinks Gully). This Strategy allows for the further deferral of renewal works for a period of three years while Council works with the two communities to identify affordable and viable options for the future. The budget allows for a renewal programme to begin after these three years. This should not be taken as a decision that Council will continue (or stop) operating these schemes. The decision has yet to be made and will be made with the communities involved;
- There is a small water supply scheme serving a small number of private properties in Mangawhai Heads, the Wood Street shops and the Mangawhai camp ground. The scheme is not providing water to the new standard of NZ Drinking Water Standard 2005. To upgrade the plant to this standard would make the scheme extremely expensive for those properties that are connected. As for the three schemes above, this Strategy allows for the further renewal works will be deferred for three years while Council works with the community to identify affordable and viable options for the future. The budget allows for a renewal programme to begin after these three years. This should not be taken as a decision that Council will continue (or stop) operating this scheme. The decision has yet to be made and will be made with the community involved; and



- Council will prepare roads that will be used heavily by logging trucks. There is likely to be damage to 55 roads (comprising 40% of the unsealed network and concentrated in the western area) in the District over the next six years. Council will set a targeted rate to collect revenue to prepare the roads for the logging trucks rather than repair the damage afterwards. This will require \$3.3 million (uninflated) from 2015/2021 gross, of which \$390,000 each year will be funded from rates revenue.

## 2.2 National Policy Statement on Freshwater Management

The Northland Regional Council has an implementation programme for the National Policy Statement (NPS) on Freshwater Management. This programme is called Waiora Northland Water. Under the programme, all regional councils in New Zealand are charged with improving the management of fresh water. Under the Waiora Northland Water programme, the Northland Regional Council is rolling out a catchment by catchment evaluation of the freshwater system, uses and management thereof. This is done in conjunction with a catchment group made up of landowners, users, Council and Iwi. For Kaipara District Council this will mean that appropriateness of its water takes, wastewater and stormwater discharges on the fresh water body they take from or discharge to, will be considered and could result in changes having to be implemented.

The programme will impact Water Supply, Stormwater and Wastewater within the Kaipara District.

The quality of water discharges may be required to be lifted in future years to raise the environmental standard of receiving waters. This will come at a cost not yet known.

## 3 Strategic Framework

### 3.1 Vision

We have been holding meetings around the District and the repeated message that we have heard is the desire to keep life in the District simple.

- A place that is friendly, unpretentious and quiet
- A place where life is relaxed and people can enjoy nature's bounty
- A place where people can succeed in business creating jobs and futures
- A place that values innovation and self-sufficiency to create a more sustainable future.

We propose a new Vision to reflect this - *Kaipara - where it's easy to live*

### 3.2 Community Outcomes

The outcomes we wish to work with the community to achieve are:

<p><i>Outcome 1 - We will work with you to help make it easy to enjoy nature.</i></p> <p><i>We aspire to being a district that is renowned for our beautiful environment.</i></p>	<p>Our objectives are to:</p> <ul style="list-style-type: none"> <li>• With your help, develop our priority parks</li> <li>• With your help, improve access to coasts and harbours</li> <li>• With your help, protect our environment.</li> </ul>
<p><i>Outcome 2 - We will work with you to help make it easy to join in.</i></p> <p><i>We aspire being a district that has strong communities where people have a sense of belonging and work together.</i></p>	<p>Our objectives are to:</p> <ul style="list-style-type: none"> <li>• With your help, ensure there is a wide variety of sport, recreation and leisure opportunities</li> <li>• With your help, support community involvement and volunteering</li> <li>• Make it easy for you to work with Council.</li> </ul>
<p><i>Outcome 3 - We will work with you to help make it easy to do business.</i></p> <p><i>We aspire to being a district that has sufficient economic activity to support the well-being of our communities and residents.</i></p>	<p>Our objectives are to:</p> <ul style="list-style-type: none"> <li>• Provide a simple and efficient regulatory environment</li> <li>• With your help, provide the necessary infrastructure for business</li> <li>• With your help, promote the District.</li> </ul>

## 4 The Future of Kaipara: An Overview of Population and Housing Change

Population and housing changes are important factors to consider when planning for infrastructure. Changes in population affect the number of people placing demand on a service, while changes in the number of dwellings or properties affects the number of properties which Council can rate (rating units) and so share the cost of the infrastructure.

### The Trend

The overall trend for the District is one of modest but steady growth. Statistics New Zealand estimates that the Kaipara District had a usually resident population of 20,500 people as at 30 June 2013, an increase of 10.51% since 30 June 2006 (an average increase of 1.5% per year). Projections for the District indicate growth will continue at a rate of about 0.7% per year from 2016 to 2026, before slowing to 0.5% by 2036 and 0.3% per year towards 2046 (Source: Statistics New Zealand).

This growth will, however, not be consistent across the District. The Kaipara District spans a large area of rural Northland and includes many individual towns, settlements and heartland communities. Infrastructure needs and population trends vary greatly across the District's many communities. While eastern communities (such as Mangawhai and Kaiwaka) are expected to grow, western areas are expected to grow only moderately or remain stable.

As with most rural areas of the North Island, this slowing in growth is attributed to less births and increasing deaths due to the aging of the population, together with the migration of working age people towards larger centres. An aging population across New Zealand and the developed world is expected to result in a gradual end to population growth. This population aging is the result of the large 'baby boomer' generation reaching retirement age, together with the continuing social trend towards families having fewer children (Source: NIDEA, Northland Demographic Profile 1986-2031).

In Kaipara this population aging trend is exacerbated by the tendency of young adults (the children who grew up here) to leave the District, often following education and employment opportunities, coupled with the attractiveness of the District as a retirement destination. The result is population growth in the post-reproductive (older) age group.

The number of residents aged 65 and older is projected to rise from 4,200 (21% of population) in 2016 to 5,900 (28% of population) in 2026 and 6,600 (30% of population) in 2031.

By comparison the number of working age residents (aged 15-64) is expected to decrease from 11,600 (58% of population) in 2016 to an estimated 11,200 in 2026 (52% of population) and 11,100 (50% of population) in 2031. The number of children in the District is expected to increase slightly or remain stable.

Population changes are not necessarily linked to dwelling changes. The number of dwellings in a town may increase even as the usually resident population remains stable or decreases if fewer people inhabit each home (e.g. if there is a shift from families with children to retired couples) or if there is an increase in unoccupied dwellings (often holiday homes).

Some areas of the District have large numbers of holiday homes and subsequently large numbers of absentee versus permanent residents/ratepayers. Absentee ratepayers (property owners who do not live permanently at that property) can make up a significant part of some communities in holiday areas. According to Council's rating database, 41% of Mangawhai ratepayers reside within the District while 50% reside in Auckland. By comparison 72% of ratepayers across the rest of the Kaipara District (excluding Mangawhai) reside within the District and 28% outside the District. This, together with a comparison of occupied and unoccupied dwellings, suggests that Mangawhai's population may increase by over 112%, more than double, during holiday periods (Statistics New Zealand). These population fluctuations are of interest to Council as they result in 'larger' numbers of people being present during the peak periods which puts different demands on infrastructure and services.

When considering these matters it must be remembered that projections are not exact forecasts and will be particularly affected by social and economic trends. Changes in the economic climate may make it more or less difficult for people to retire to a coastal settlement such as Mangawhai or move to a lifestyle block. The

working age population in particular is anticipated to be influenced by employment prospects. For example, some rural areas of the South Island have experienced considerable population growth following the development of irrigation schemes which have increased dairy outputs. This shows that providing for infrastructure can influence the future of communities.

### Assumptions

Kaipara District Council anticipates that the District's population will increase by around 7% from 2016 to 2026, with growth then beginning to slow towards 2046 (Source: Statistics New Zealand). This will take the District's population from 20,000 in 2016 to 21,400 by 2026, 22,500 by 2036 and 23,100 by 2046. Council's assumption, based on current trends, is that most growth will be centred on the eastern part of the District, particularly around Mangawhai (19.65% growth from 2016 to 2026), Kaiwaka (10% growth from 2016 to 2026) and the Matakoho/Paparoa/Maungaturoto area. The population in the north and west of the District is anticipated to grow moderately or remain stable. These assumptions are consistent with current and historic growth patterns and reflect the increased desire for coastal real estate in eastern areas, coupled with spillover from the overcrowded Auckland property market affecting land demand in the south of Kaipara District.

### Most Likely Scenario

The following table shows the projected scenario for population change across the larger Kaipara communities. These projections have been prepared by Statistics New Zealand using population data from the 2006 Census as a base. Statistics New Zealand provides low, medium and high series projections based on different levels of mortality, fertility and migration. Kaipara District Council has chosen to use the high level projections as these are, on the most part, slightly more conservative than the growth actually experienced in the District as identified by the 2013 Census. These 2006 base projections are presently the most up-to-date population projections available.

#### Population projections 2006 to 2045 (2006 Census base) plus 2001 and 2013 Census actuals

Date	Area						
	Kaipara District	Te Kopuru	Dargaville	Maungaturoto	Ruawai	Kaiwaka	Mangawhai
2006	18550	460	4570	860	440	550	1700
2011	19300	450	4560	920	430	570	2050
<b>2013</b>	<b>20500<sup>#</sup></b>	<b>510<sup>#</sup></b>	<b>4610<sup>#</sup></b>	<b>810<sup>#</sup></b>	<b>470<sup>#</sup></b>	<b>640<sup>#</sup></b>	<b>2600<sup>#</sup></b>
2016	20000	450	4490	960	420	600	2290
2021	20700	450	4380	1000	420	630	2510
2026	21400	460	4210	1040	410	660	2740
2031	22000	460	3990	1060	410	690	2970
2036	<b>22500</b>	<b>460<sup>*</sup></b>	<b>3781<sup>*</sup></b>	<b>1080<sup>*</sup></b>	<b>410<sup>*</sup></b>	<b>721<sup>*</sup></b>	<b>3219<sup>*</sup></b>

Date	Area						
	Kaipara District	Te Kopuru	Dargaville	Maungaturoto	Ruawai	Kaiwaka	Mangawhai
2041	22800	460*	3573*	1101*	410*	753*	3469*
2046	23100	460*	3364*	1121*	410*	784*	3718*

*Note: The data in black font is the Statistics NZ most current population projections based on the 2006 Census data; updated projections using the 2013 Census data will be published by Statistics NZ.*

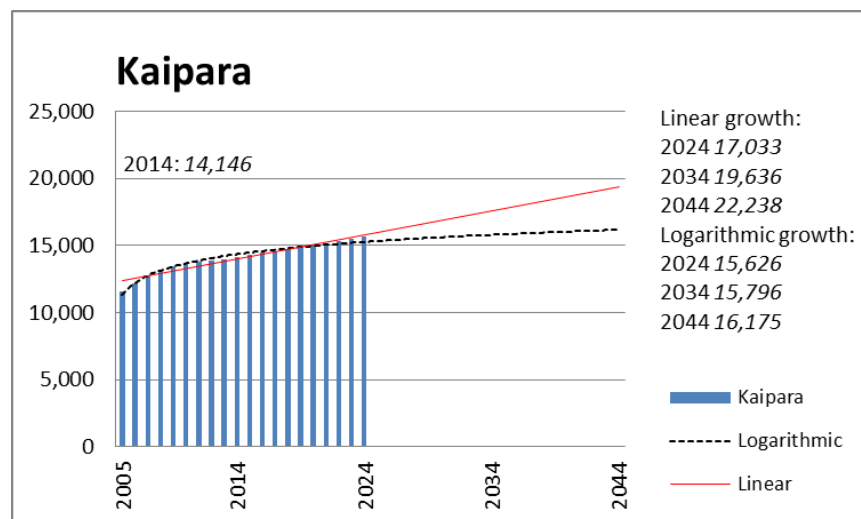
*Statistics NZ population estimates based on 2013 Census actuals.*

*\* Kaipara District Council projections extended to 2046 by assuming the same average annual growth rate between 2031 and 2046 as between 2026 and 2031.*

The following graphs show the anticipated change in the number of dwellings across the larger Kaipara communities over the next 30 years.

#### Kaipara District Council Rateable Units 2005/2014 historic data and 30 years growth to 2044

##### All of Kaipara



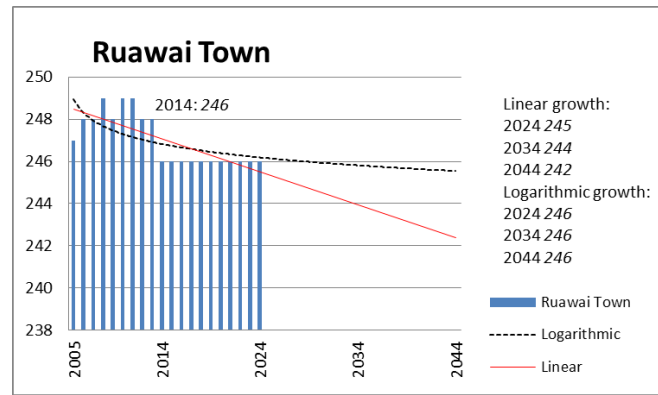
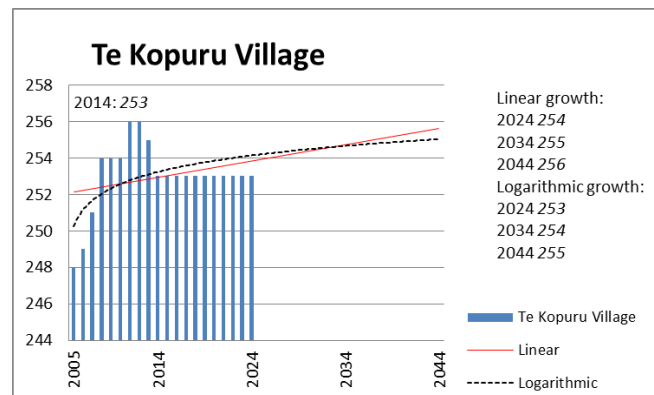
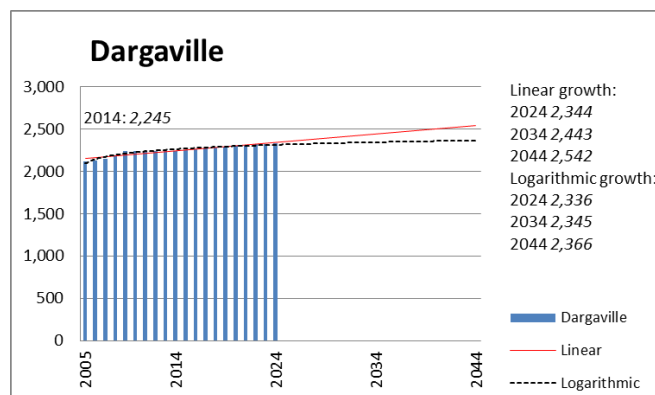
Estimated growth for 2015/2024 is based on past logarithmic trends adjusted for annual dwelling growth 2001/2013 NZ Census as follows:

- All of Kaipara - 2015/2024 - 1.0%
- Mangawhai - 2015/2017 3%, 2018/2024 - 1.3%
- Kaiwaka - 2015/2024 - 1.0%
- Maungaturoto - 2015/2024 - 0.5%
- Dargaville - 2015/2024 - 0.4%
- Ruawai, Te Kopuru, North, West and Central 2015/2024 - 0.0%

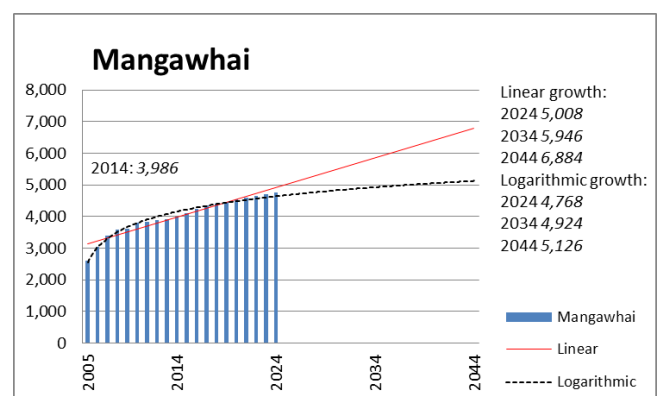
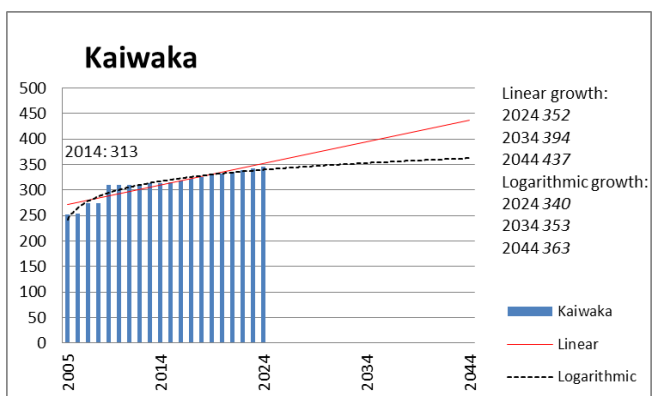
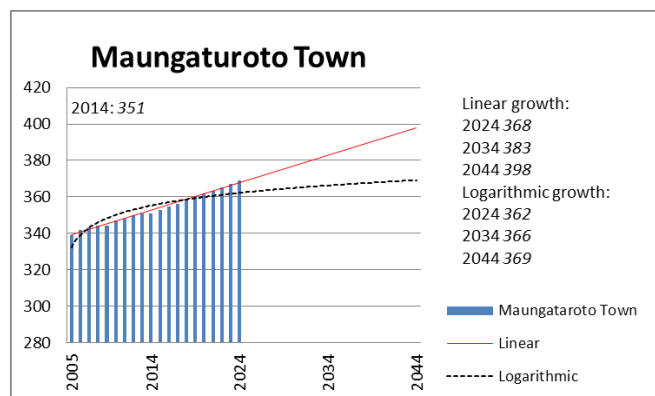
A linear trend line is a best-fit straight line.

A logarithmic trend line is a best-fit curved line based on percentage change.

## Towns

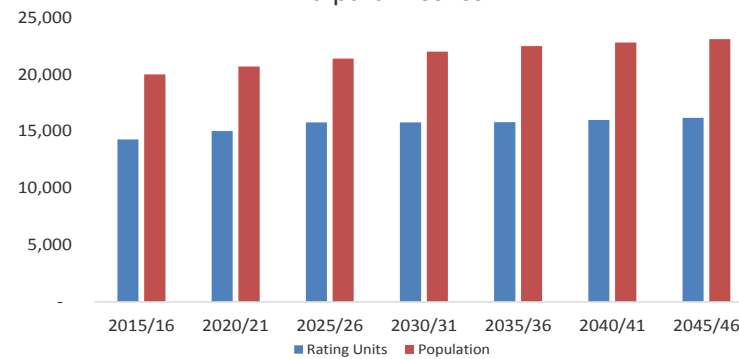


Including the town's east and west rolls



The graphs below show a comparison of population change and rating unit growth for Kaipara District and its communities. The overall picture for Kaipara is that the number of people per rating unit (property) will remain relatively stable in many communities. An exception is Dargaville where the number of residents per property is projected to decline showing a move towards smaller households. The opposite trend is shown by Kaiwaka which already has a high proportion of residents to properties. Mangawhai is unusual in that it has more rating units (properties) than permanent residents. This is believed to be because of the high number of holiday homes and absentee residents associated with this popular holiday destination.

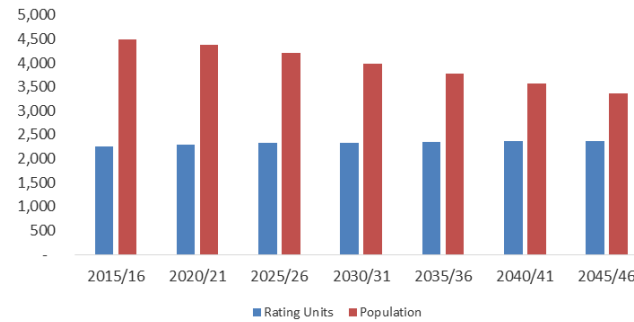
Kaipara Distirct



Te Kopuru



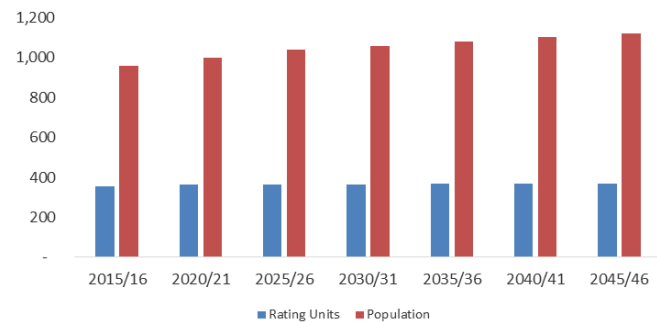
Dargaville



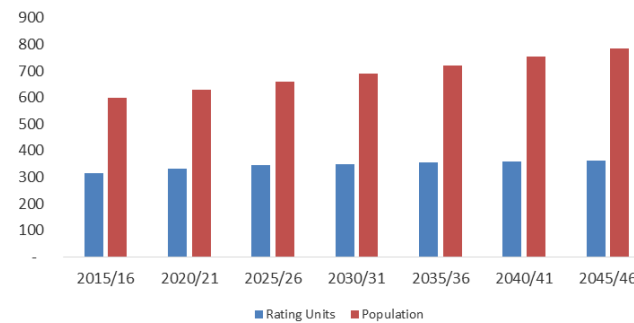
Ruawai



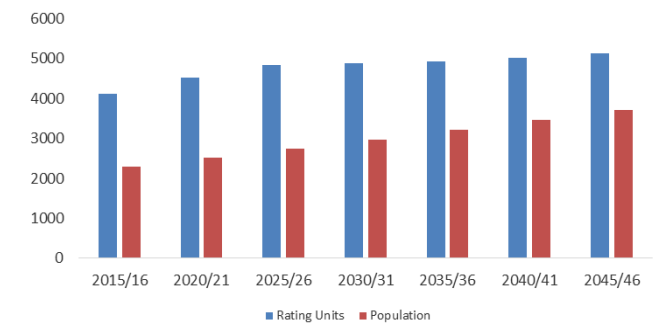
Maungaturoto



Kaiwaka



Mangawhai



## 5 Economic Overview of Kaipara District

Economic activity is important when considering demands on the District's infrastructure. The location of industry and different kinds of land use directly affect what services are required where. For example, Silver Fern Farms' Dargaville meatworks places a large demand on Dargaville's water supply and the harvesting of forestry has a major impact on Council's roads. Furthermore, the road network is used extensively by dairy tankers to collect milk and deliver it to the processing plants at Maungaturoto and Kauri. Hence Council's infrastructure plays an important role in supporting the District's economy.

The greatest limitations on the expansion of 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. Of these Council is directly responsible for the District's roading network (excluding State Highways which are managed directly by NZTA).

### The Trend

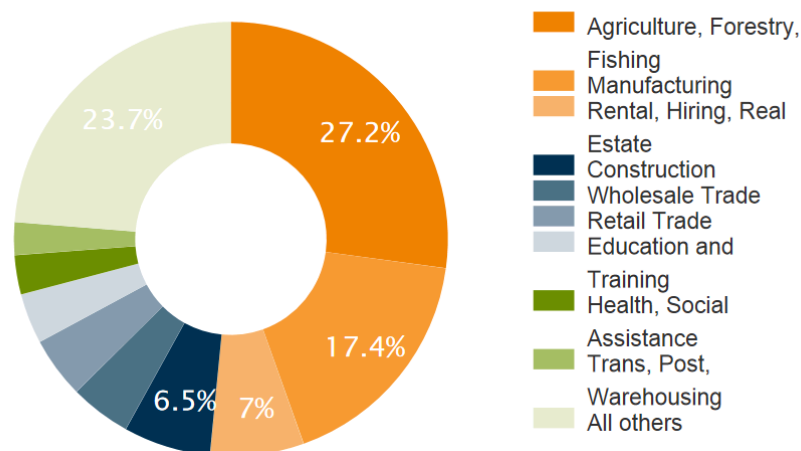
Kaipara's economy is founded on its primary industries, particularly dairy and forestry. In addition, manufacturing is also well-established in the District. It is evident that in good growing seasons the District as a whole is able to prosper with Gross Domestic Product (GDP) growth far exceeding that in other districts. Conversely, drought years have the opposite effect. In 2013 Kaipara's GDP was measured at \$615 million (in 2010 prices). This accounted for 0.3% of the national total.

In 2013 the primary sector generated \$167.3 million in GDP (27.3% of Kaipara's total) making it the largest contributor to GDP in the District in 2013. It is expected this contribution to GDP would have been much higher had it not been for the persistence of the drought. The primary sector also provided 2,220 jobs making it the largest employing industry 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 primary sector also contained the largest number of business units in the District with 1,377 business units or 41.5% of the total. The second largest industry in Kaipara was manufacturing. GDP in the manufacturing sector was \$107 million in Kaipara District for 2013 (Source: Infometrics 2013 Annual Economic Profile: Kaipara).

Infometrics reveals Kaipara's economy has very little diversity. 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 (Source: Infometrics).

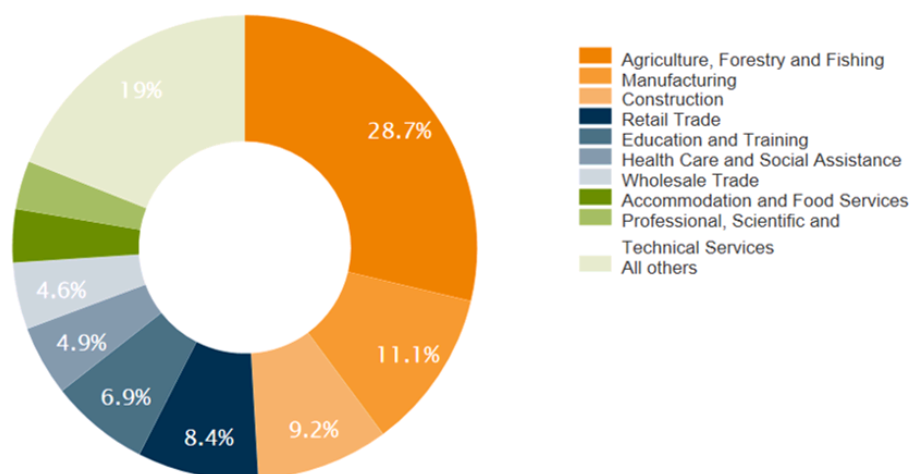


## Industry proportion of GDP

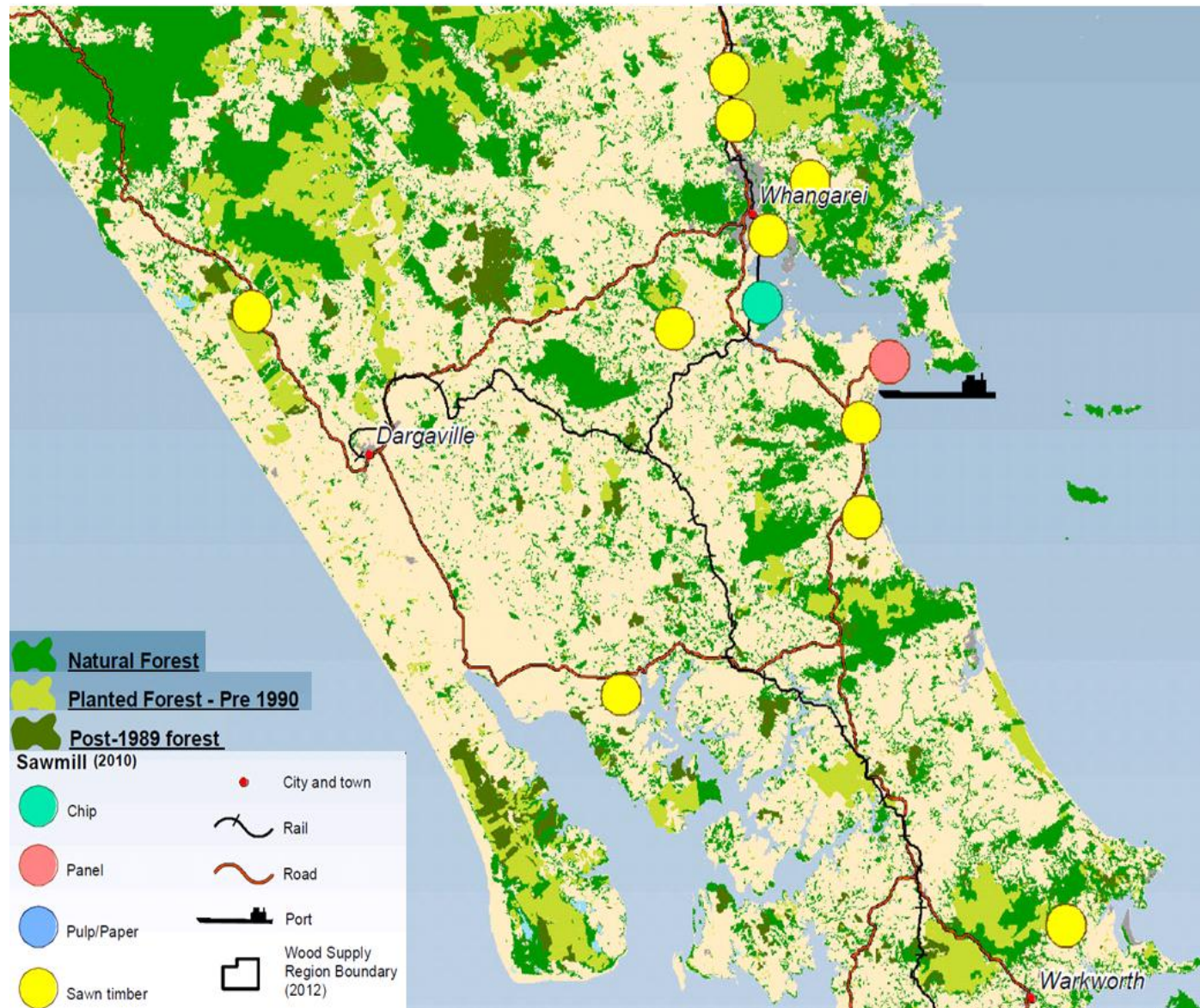


There were a total of 3,322 business units in Kaipara in 2013. The majority, 41.5%, were in the primary sector, a further 18.7% were in rental, hiring and real estate services and 8.7% were in construction. Analysis of Council's rating base shows more than half of commercial ratepayers (business owners) in Kaipara live in Dargaville. This suggests that many of the District's businesses and therefore jobs are based in Dargaville. Only 23% of commercial rate accounts are sent to addresses outside the District, compared to 34% in the case of residential rate accounts suggesting that most employers live locally.

## Industries: Proportion of filled jobs

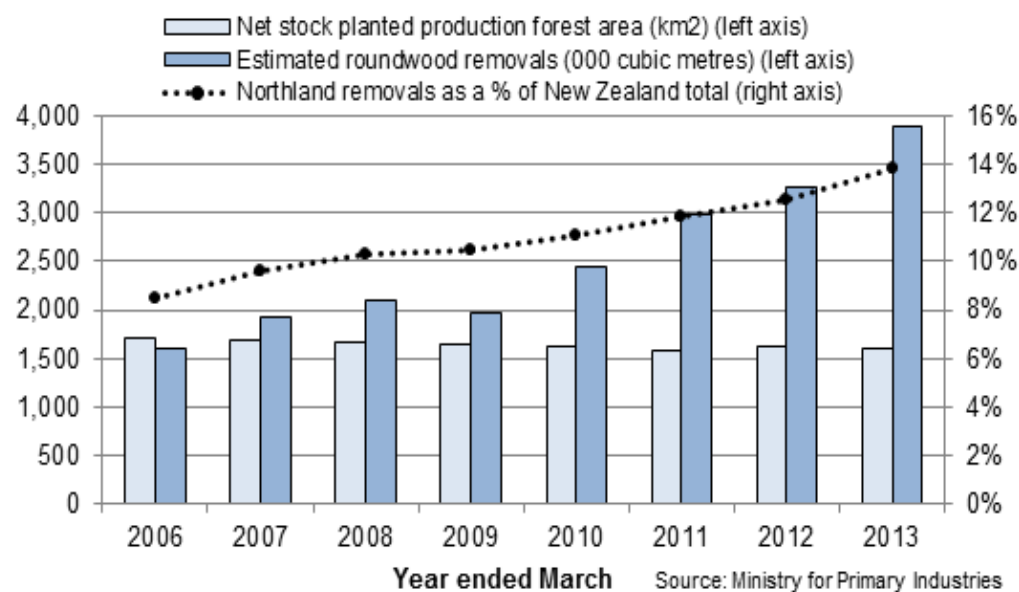


The following figure shows the locations of forestry plantations and sawmills in and around the Kaipara District. Council remains mindful of the harvesting intentions of the larger forestry owners so as to anticipate future demands on the roading network.



(Source: Ministry for Primary Industries)

It is estimated that 3.9 million cubic metres of roundwood was harvested from the Northland wood supply region in 2012/2013, having risen rapidly since mid-2000. This increase is shown in the figure below. While production has also increased in other regions, Northland's share of the national harvest has risen from 7.5% in 2002 to 14% in 2013. Assuming an average log price of \$114 per cubic metre, Northland forest owners generated around \$440 million of income in 2012/2013 (Source: Northland Economic Quarterly, January 2014 edition).



### Assumptions

When planning for infrastructure over the next 30 years, Council has made the assumptions that:

- Kaipara's economy will continue to remain securely founded on its primary industries supported by the manufacturing sector;
- Largescale land use change is not anticipated in the District over the next 30 years, excepting that the east of the District is anticipated to experience an expansion in rural-residential living (lifestyle blocks);
- Forestry harvest volumes will continue at their current level of around 3.8 million cubic metres per year before increasing to over 4.0 million cubic metres per year from 2020 and possibly up to 4.7 million cubic metres per year from 2023; and
- Future large industrial and commercial developments will be based in the growth areas of Dargaville, Maungaturoto, Kaiwaka and Mangawhai, as identified in the District Plan.

### Most Likely Scenario

Kaipara's economy will continue to remain securely founded on its primary industries, supported by the manufacturing sector. With the exception of forestry, the demands these industries place on the District's infrastructure is expected to increase only gradually over the next 30 years.

In terms of forecasting forestry volumes, the *Northland Forest Industry and Wood Availability Forecasts 2009* suggests that the current level of harvesting of around 3.8 million cubic metres per year will continue at this level before increasing to over 4.0 million cubic metres per year from 2020 or up to 4.7 million cubic metres per year from 2023 (Source: Northland Economic Quarterly, January 2014 edition).

Largescale land use patterns in the District are expected to remain the same over the next 30 years. An exception to this is the anticipated expansion of rural/residential, lifestyle block, living in eastern parts of the District. There may also be some land use change from dry land to irrigated farming practices. This would lead to greater intensification of dairy farming operations and expansion of horticulture and cropping. This in turn could drive growth in the manufacturing and commercial sectors.

The greatest current 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 (Source: Northland Forest Industry and Wood Availability Forecasts 2009; Regional Economic Activity Report). Of these Council has direct responsibility for the local roading network (excludes State Highways). While this remains Council's single biggest contribution to the local economy, other Council infrastructure such as water supply, wastewater and land drainage are also important to some industries.

## 6 Summary of Financial Strategy

The new Financial Strategy remains a simple one. We will run a balanced budget. We will treat the District equitably. We will have a sustainable Plan.

Key points of the new Financial Strategy are set out below:

- A balanced budget is maintained<sup>52</sup>;
- Operating expenditure is projected to be \$468 million and Capital expenditure is \$183 million for the 10 years to 2025. Funding of this expenditure is primarily through rates, user charges and NZTA subsidies;
- General rates will increase around 4.6%<sup>53</sup>, a new targeted rate is proposed for Council-owned roads used by forestry and logging trucks representing 1.47% of the rates increase and other targeted rates contribute to 0.06% of the rates increase. Overall, rates will increase around 4.94% over the rates set in 2014/2015<sup>54</sup> to ensure that we deliver a sustainable and balanced budget for 2015/2016 and allow us to fund the impact of forestry and logging trucks and maintain current standards on Council roads. Thereafter the rate increases will remain within the LGCI<sup>55</sup> plus 2% maximum limit for the 10 years of the Long Term Plan 2015/2025;

<sup>52</sup> i.e. operational revenue funds operational expenses (before depreciation) except for a portion of interest attributable to future development. In addition, desludging costs for cleaning out wastewater ponds are loan funded rather than rates funded to avoid spikes in rates unless new technology can provide a more economical alternative in future.

<sup>53</sup> General rates contribute 3.41% of the rates increase overall. Base rates of 3.47% together with the new targeted rate for forestry roads of 1.47% make up the overall increase of 4.94%.

<sup>54</sup> This compares with a 9.3% increase over the Annual Plan budget for 2013/2014 and 2.51% for 2014/2015. All rate percentage increase excludes estimates for penalty charges.

<sup>55</sup> Local Government Cost Index.

- Rates increases averaging approximately 3.67% per annum over the life of the Plan will generate sufficient income to manage ongoing renewals, make progress on catch-up renewals and begin funding reserves;
- Capital costs (reflecting the costs of capital works and remaining debt) for each scheme will be combined with the operational costs, which are being allocated uniformly across all schemes, to calculate the targeted rate payable in each community for water supply, stormwater and wastewater<sup>56</sup>;
- Capital contributions, collected as targeted rates, to fund the capital cost of the MCWWS and reduce debt continue as does the district-wide funding of a portion of the debt as part of the general rate; projected income from Development Contributions has been spread over a longer timeframe;
- Other capital costs are funded by NZTA funding<sup>57</sup> (for roading); Financial Contributions (for reserves) and Development Contributions (for some wastewater and stormwater schemes and roading) fund capital costs of growth; and
- Debt requirements<sup>58</sup> are projected to trend downwards and reduce to approximately \$60 million by 2024/2025 at the end of the 10 years covered by the Plan. At all times during the duration of the Plan, debt requirements fit within Council's preferred debt ratio parameters.

## 7 The Provision of Roads and Footpaths

### 7.1 Overview

The 2015 Government Policy Statement on Land Transport (GPS) has three objectives for the country's roads: *economic growth and productivity, road safety and value for money*. To align with these objectives Kaipara District Council aims to manage its roading network to ensure people and goods can move safely and efficiently around the District by a variety of means. The NZTA is introducing a new network classification system that is intended to become the funding mechanism base to ensure that funding is equitably distributed across New Zealand mainly based on traffic volumes and usage.

Some of the issues facing Kaipara's roading infrastructure include:

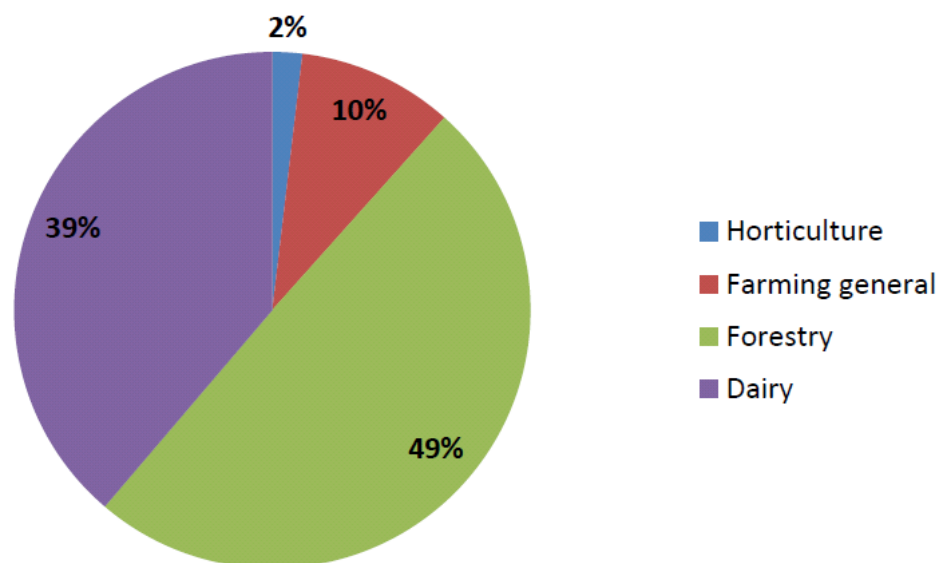
- small population, sometimes isolated, rural nature of much of the District;
- difficult topography and unstable geology combined with regular high intensity rainfall events;
- scarcity and high costs of roading materials, typically aggregates; and
- locally sourced aggregates are less durable than elsewhere in the country.

<sup>56</sup> The annual network charge.

<sup>57</sup> NZ Transport Agency funding also funds operational expenditure on roads.

<sup>58</sup> Projected debt plus increasing capacity to fund reserve expenditure.

The total weight of freight generated in Kaipara District Council is estimated at 1.04 million tonnes per annum (Source: Morrison Low Roading Differentials Report May 2012). The following figure shows how the different industries in Kaipara contribute to this total.



(Source: Morrison Low Roading differentials report May 2012)

Road maintenance requirements are likely to increase as Northland's forestry volumes are predicted to increase. Northland has 202,286 ha (as at 2007) of exotic forest, making it the second largest forestry estate in the North Island, and 11.3% of the national total. Forecasts indicate that the availability of radiata pine from Northland forests will increase over the next 10 years (Source: Northland Forest Industry and Wood Availability Forecasts 2009; Regional Economic Activity Report). It is also expected that there will be more trucks travelling to Northport, as the port's freight handling increases. While these trends will help boost Northland's economy, growing truck movements will put additional pressure on Kaipara's roads.

Forestry harvesting volumes over the next 25 years are expected to be 75% above the 2010 planted forest areas in Northland. Most of the new plantings will not be ready for harvest until 2035 onwards, so effects on the roading network for the increased truck movements will not start to be realised until 2035. In the short term the harvest volumes are set to increase over the next six years ideally catered for by strengthening of 90km of Kaipara's roading network (2km of sealed and 88km of unsealed). Any strengthening work would be in addition to the Council's normally managed programme. It is expected that normal programmed renewals will be sufficient in the years 2021 to 2035 to strengthen the remaining forestry routes identified as requiring intervention (Source: MWH, Forestry Roads: Kaipara District Council Forestry Routes Submission, 2014).



## 7.2 Assets, their Age, Condition and Maintenance

The Kaipara District has a large roading network spanning 1,571.2km. Of this network, 28% (446.6km) is sealed and 72% (1,124.6km) is unsealed. This roading infrastructure includes 353 bridges, 1,136 streetlights, 88km of footpaths and more than 6,600 road traffic signs.

- In the last seven years Council has significantly strengthened unsealed and sealed pavements – more is needed;
- Roads formed in 1960s and before are of low quality and where they now experience increases in traffic levels (especially heavy vehicles), are in need of rehabilitation and sometimes reconstruction especially in regard to pavement depth;
- Some bridge approaches would be more cost-effective if sealed rather than continued maintenance;
- Kaipara has difficult geology and climate. Rolling hills, patches of Onerahi chaos and variable densities of clay, with heavy rainfall events and contrasting droughts, causes unpredictable subsidence and slumping;
- Changes in traffic volumes have occurred and will continue with more heavy vehicles, heavier heavy vehicle, and more commuters; and
- Forestry harvesting is expected to impact on 55 roads in the District in the next 25 years. These roads represent 25% of the total network - about 400km. Of these, the next six years of harvesting would ideally be prepared for by the strengthening of 90km of the network (88km unsealed). From then, the renewals budget is sufficient.

The life of roads and footpath assets varies considerably by use and component. With the exception of bridges, renewal, replacement and repair of road assets are not based on asset age but on:

- Available budgets;
- Traffic volumes and use;
- Asset condition rating and surveys;
- Treatment selection analysis and validation, including skid resistance;
- Engineering and Contractor inspections and customer feedback;
- Historical achievement records;
- Falling weight deflectometer testing and selected test pit analysis for assessing bearing capacity; and
- NZTA standards that affect funding criteria.

For bridges, components are assessed by all the factors above plus age.

The total projected budget expenditure on roading for 2015/2045 is \$850 million. Of this \$390 million is operating (maintenance) and \$460 million is capital (renewal, improving the level of service, and growth). \$30.5 million is included in the budget for sealed road pavement rehabilitation between 2015 and 2025. This involves modifying the pavement to restore its life by adding new aggregate and strengthening it with lime or cement, then re-sealing it. \$5.5 million is included to enable Council to deal with the impact of forestry and logging trucks on roads, in the critical years between 2015 and 2021.

### Unsealed Roads

Kaipara has over 1,100 km of unsealed roads - 72% of the network. Council has limited ability to extend seal and therefore unsealed roads will continue to be the norm for the foreseeable future. The condition of the unsealed network is mixed. For delivering planned service levels, the age of the road is not particularly relevant. Other factors are of more importance including depth and quality of the basecourse, effectiveness of drainage facilities. The cost of maintaining unsealed roads is 10 times less than for sealed roads at \$330 per km compared to \$3,000 per km.

The levels of service Council delivers for unsealed roads is the biggest area of complaint and concern for the people of Kaipara. These service levels are constrained by the ability of Council to rate for the local share of funding to complement the funding from NZTA. The major challenges we need to deal with are:

- Carriageway width – 520km or 46% of unsealed roads are under the standard for width for their traffic volumes;
- Crossfall (camber) – there is a need to provide sufficient crossfall (6%) to allow drainage of the road surface. The level of corrugations on roads, caused by loss of fine clay particles that bind the basecourse, and the flattening of the road from traffic overtime, compromise crossfall. Regular grading and heavy metalling corrects this. Currently, crossfalls are typically 4-5%, under our standard;
- Forestry roads – many forestry plantations are serviced by unsealed roads with narrow widths and thin pavements. During harvesting when there are high volumes of heavy vehicles, the damage caused can be so high, complete reconstruction of the route is required;
- Urbanisation of rural land – with the increase of residential and lifestyle subdivisions, this is accompanied by a demand to seal associated roads because of dust nuisance. Council collects Development Contributions and Financial Contributions for this purpose. There is no NZTA subsidy or rates funding available. Over the next three to four years, it is expected that sufficient contributions from developers will be collected to extend the seal on sections of four roads in Mangawhai and surrounds:
  - Estuary Drive;
  - Moir Point Road;
  - Black Swamp Road; and
  - Settlement Road.



- Pavement depths – the unsealed network has varied and often marginal pavement depth. This makes them vulnerable to damage from heavy vehicles and heavy rain. In recent years, a significant length of the network has had pavement rehabilitation. This programme will continue. It will not address the forestry traffic increases expected for the next six years. Gravel loss (111,807 cubic metres per annum) remains higher than replenishment levels (51,434 cubic metres in 2013). Council is looking to implement maintenance techniques that reduce gravel loss. Once again, this will not address damage from forestry traffic.

Council has an unsealed roads strategy that directs work to:

1. Investigate practical ways of reducing metal loss e.g.
  - a. Use alternate practices to stabilise and compact metal such as the use of rollers
  - b. Trial alternate products
2. Work with forestry to programme harvesting during the dry season (late summer) as road damage is far less when the road is dry (although dry conditions increases dust nuisance)
3. Use best performing and lowest cost soil-aggregate mixture
4. Increase knowledge of depth, make-up and strength characteristics of high volume roads throughout the network
5. Develop knowledge of the availability and characteristics of different materials from quarries within the District and maintain this in a register
6. Increase knowledge of road performance, especially actual metal loss prioritising forestry routes
7. Manage dust through speed reduction.
  - a. Forestry trucks travelling at 40kph or less produce significantly less dust on a dry road.
  - b. A well-shaped and maintained road produces less dust.
8. Improve stormwater management
  - a. Maintain crossfall at 8%
  - b. Improve drainage facilities to contain water below road surface, and effectively drain sub-base
  - c. Keep culverts clear at all times
9. Improve the management of roadside vegetation to
  - a. Maintain good visibility
  - b. Keep drainage facilities clear
  - c. Prevent pavement damage from roots

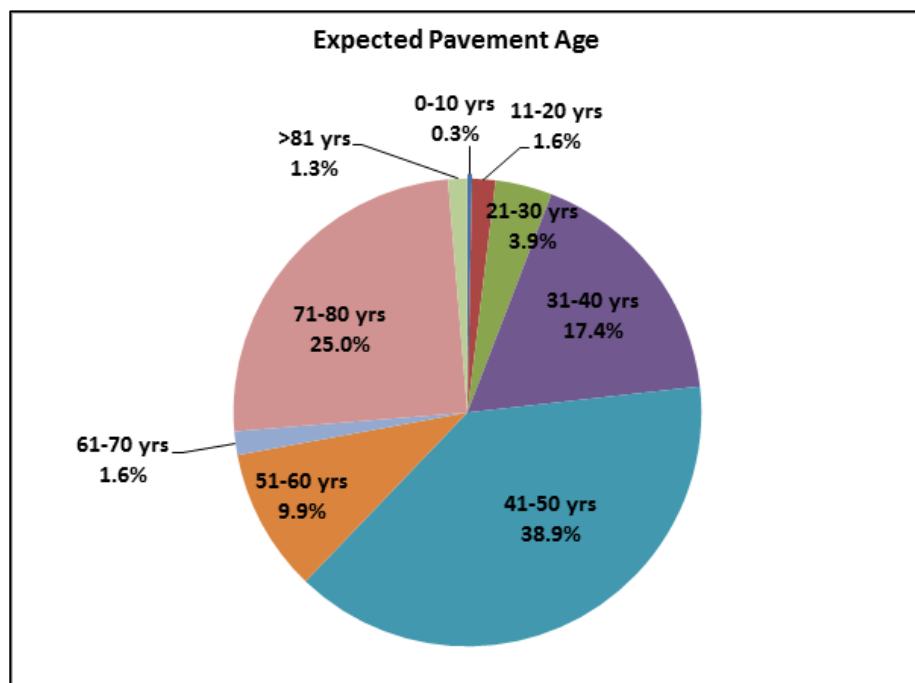
10. Have a programme for managing forestry impacts.
  - a. Collect \$2.5 million funding from Forestry properties for strengthening forestry-impacted roads (2015/2021).

### Sealed Roads

There is currently a total of 448km of sealed network. Most of this (99%) is surfaced in chip seal with the remaining surfacing being asphaltic concrete and concrete. It consists of two components: the pavement layers and the surfacing. This asset carries the bulk of the heavy vehicle volume. It is an all-weather surface and not as sensitive to loading issues. Traffic travels at higher speeds on a sealed road so safety concerns are of increased interest. The lifecycle of seal surfaces varies from 14 years for a two-coat seal with lighter volumes, to two years for a single chip first seal coat on high volume roads, with an average across Kaipara's network of 11 years. The programme of reseals is currently a life of 16 years with 30km completed each year. This places greater costs for repairs. The backlog will be addressed by 2018.

The pavement life is around 50 years. To respond to this, 2% of sealed roads (9km) should have pavement renewed each year.

### Pavement Age of the Network



Recent analysis of pavement data after completion of the forward works programme has suggested pavements are achieving average lives of around 50 years. Adopting an average pavement age of 50 years and applying this to the KDC sealed road network requires 8.9km or 2% of sealed roads to be renewed annually. The backlog will be addressed by 2018.

Three indexes are used to measure condition on an annual basis:

- Smoothness by distance travelled;
- Pavement integrity weaknesses from faults, rutting and shoving; and
- Condition assessment of faults, cracking, ravelling, potholes and patches, flushing.

Our pavement integrity measures lower than our neighbouring authorities. Our smoothness measure is more similar to our neighbours but half the national average. The rehabilitation and reseal programme addresses these issues over time.

Road development over the next 10 years will be driven by the need to increase carriageway widths on some rural primary and secondary collector roads because of the use of these roads by heavy vehicles, roads providing detours when the State Highways are closed, and increased private development (mainly in and around Mangawhai).

Road widths – there are deficiencies compared to Kaipara's Engineering Standards affecting 17% of sealed roads. This is partially addressed through the annual pavement rehabilitation and reseals programme and NZTA subsidies are available for the work.

Resilience – there are no additional criteria used by NZTA to provide greater road resilience of key routes. The use of Kaipara roads as detours for the State Highways causes wear and tear over and above normal use. NZTA subsidies are not available to strengthen these roads to stop the damage from use as detours.

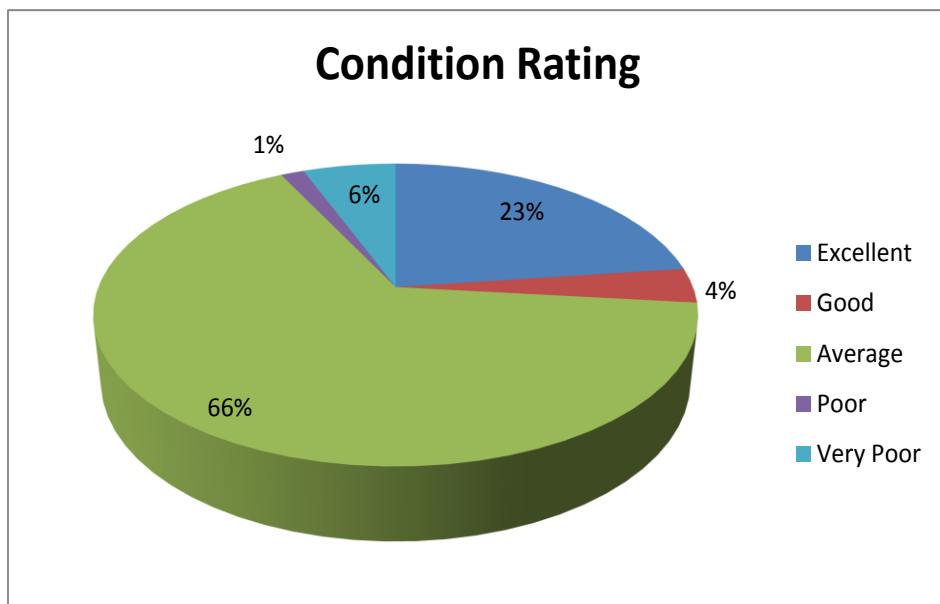
### **Bridges, Culverts and Structures**

There are 351 bridges (over 3.4m of waterway) and bridge culverts (under 3.4m of waterway) in Kaipara. Most of these are short structures. Over time, many of these will be replaced by culverts, depending on water flow data. Climate change also needs to be taken into account given the long intended life of these assets. The designed life is 100 years. Earlier bridges were constructed out of material that means they have shorter lives. Pre-1940 structures will be replaced over the next 10-15 years. Culverts are younger with a greater remaining useful life.

There are five bridges with weight restrictions. None of these are in high volume roads.

20% of bridges are inspected each year. The latest condition rating categorised the majority of bridges and culverts in good condition.

The following condition rating split has been determined for all KDC bridges inspected in the last two years.



The emphasis for the next period will be on improving asset knowledge of bridges and culverts, while addressing known maintenance and renewal requirements to strengthen bridges where heavy traffic use occurs, replace older bridges built prior to 1940 with either new bridges or culverts as appropriate.

A budget of \$9.5 million is included for this bridge replacement work. This is in addition to \$11.2 million for maintenance and \$14.9 million for renewals.

### Drainage Facilities

There is a total length of 131,625m of culverts (not associated with bridges), and 1,837km of surface water channels within the District. Drainage facilities that drain the road pavement are considered to form part of the roading asset. A recent review of the condition of drainage facilities has assessed most as performing well. However, there are some causing problems. Heavy rainfall in 2014 has also highlighted some weaknesses in road drainage.

Drainage facilities are usually installed as part of road construction. Those constructed from concrete are very durable. There is no cause to renew these assets as they have an expected life up to 80 years. They are replaced during reconstruction of the pavement. Earthenware drains have an expected life of 50 years. Most are around half that age.

Maintenance is very important for drainage facilities. If they are functioning well, the road lasts longer and requires less maintenance. Kerb and channel drains are cleaned twice-yearly. Sumps are cleaned annually. Culverts are cleaned as response maintenance after inspections or as assessed by the Contractor. The Contractor has key performance indicators (KPIs) in the contract stating service levels.

There is \$4.9 million budgeted for routine drainage maintenance and \$14.8 million for renewals.

### **Guardrails and Sight Rails**

Guardrails are erected at the edge of some roads to protect vehicles from hazards. There are over 12,500m of such rails in Kaipara. Many are on bridges and managed as part of that programme. Sight Rails generally last indefinitely and replacement tends to be only needed after accidents.

### **Streetlighting**

Council owns 1,168 road-related streetlights. The lights are maintained by Northpower. Streetlight fittings have a standard life of 15 years and most streetlight poles have a life of 40 years. All maintenance is response maintenance.

### **Signs and Roadmarkings, Raised Pavement Markers and Edge Marker Posts**

There are:

- 1,064 street and information signs;
- 3,889 permanent warning of hazards signs;
- 2,101 signs to communicate regulations; and
- 1,319 miscellaneous signs.

The life of signs is averaged at 15 years. However, theft, vandalism and accidents can reduce this life. Signs are replaced as they deteriorate as identified by regular inspections, or as they are damaged or removed. The current sign stock is relatively new.

There are 6,687 signs on roads in Kaipara. This includes roadmarking (499 km), intersection controls (392), and parking controls (108). These markers other than roadmarking are condition assessed annually and maintained/renewed as required. The roadmarking is replaced annually.

### **Vegetation Control**

The vegetation standard is no lower than 4.5m above the road surface and no closer than 2-3m from the pavement edge. Weedspraying, trimming and mowing is required to meet this standard in current contracts.

## **Carparks and Service Lanes**

There are 14 carparks (total area of 21,098m<sup>2</sup>) and 23 service lanes (7.55 km) in Kaipara. Condition assessment and renewals are planned alongside the sealed network.

## **Retaining Walls**

There are 188 retaining walls in Kaipara. This may not be a complete list. Condition information has only just begun to be collected. Most walls are built as emergency responses to slips and slumps and are therefore not planned works.

## **Footpaths and Walkways**

There are about 87.4km of footpaths in the District. Most are in the township of Dargaville (44km) with an increasing length in Mangawhai (22km). In general, footpaths are in good condition. Condition rating is done every five years. Renewals are therefore planned for five year blocks, where only those rated “poor” or “very poor” are addressed. A new condition rating is needed to confirm the next five year programme. Most new footpaths are developed as part of new subdivisions with an average length of 1.5km a year.

NZTA subsidies are not available for footpaths. Council includes an allowance of \$2.5 million to extend footpaths and \$6.6 million for maintenance and renewals. There is a programme of footpath extensions with the priority given to providing a footpath at least one side of urban roads.

## **7.3 Issues**

Our roading network was built in times of considerably lower traffic volumes and lighter commercial vehicles. Increasing repairs are needed as vehicle volumes increase and heavy vehicles get heavier. The cost of many of the materials needed to repair, maintain or improve roads, (like bitumen), have increased by 150% (Source: NZTA Bitumen Cost Adjustment Series) over the last 10 years; so affordability is a key issue, to maintain or increase the standard of our roads. Dust levels on unsealed roads in summer is exacerbated by intense logging truck activity. Coupled to this is the removal of NZTA subsidies for some work e.g. no subsidies for seal extensions. NZTA will pay 61% of the costs for road repairs and upgrades in Kaipara, through the NZTA Funding Assistance Rates (FARs).

The state of the national State Highway network combined with the increased incidence of intense rainfall weather systems, adversely impacts the Council roads by forcing the diversion of State Highway traffic volumes onto the Council network. As Council roads are not designed to deal with the extra traffic, the lifespan of the roads is lessened and more maintenance is needed, which has cost implications for Council. This has been exacerbated by the heavy commercial vehicle weight increase from 44 to 53 tonnes.

Forestry growth in Kaipara would ideally be accompanied by those roads used by logging trucks being strengthened. Those roads are not designed to carry such heavy loads over such intensive (harvesting) periods. (Source: MWH, Forestry Roads: Kaipara District Council Forestry Routes Submission, 2014). If strengthening is not done, those roads will deteriorate faster than they are designed to. The main years of concern are 2015/2021. To respond to this Council is including \$5.5 million over the next six years to strengthen the roads identified as being used by forestry harvesting. This will enable Council to maintain current service levels.

Road width data taken from RAMM (NZTA Road Assessment and Maintenance Management Manual) shows there are deficiencies where the carriageway width does not meet the desired width in Kaipara's Engineering Standards. The width deficiencies are triggered by increased traffic volumes. Truck sizes and road standards have both increased in recent years; Council road width Engineering Standards will endeavour to accommodate these changes.

As the population increases (mainly in the east) with people shifting to Kaipara from urban areas with higher levels of service, the demand for seal extensions and dust suppression increases. Currently, Kaipara District Council cannot respond to these demands. Customer satisfaction with roads and footpaths is declining.

#### **7.4 Implications**

Roading is funded by the following; general rate, NZTA subsidies, Development and Financial Contributions (paid when land is subdivided or developed) that help pay for growth in road capacity.

The level of funding received from all these sources is only sufficient to maintain roads at current levels and only have a minimal response to the wear and tear from forestry traffic. Service levels for roads will therefore be impacted; even maintaining current standards will require increased rates, while any ratepayer funded increase in the proportion of sealed roads would require substantially greater rates increase. Affordability of infrastructure management is the biggest issue faced by this District.

#### **7.5 Risk and Hazard Management**

The biggest risk to roads is flooding events and other impacts from heavy rain. Secondly, there is the risk of asset failure typically from ground conditions (slips and slumps) and asset condition (most risk is from bridges). There is a dedicated budget of \$33.3 million for preventative works so that these events do not cause as much damage. However, it is often this budget that is used for dealing with the consequences of such events. For anything over and above this amount, addressing the damage from unplanned events can mean deferring other maintenance and renewal work. Addressing failures because of asset condition is being addressed by improved knowledge of our assets and surrounding conditions with better targeted maintenance and renewals.

Climate change will increase the frequency of floods and heavy rain, and low-lying roads by waterways. The impact of this is not expected to be severe in the first 10 years but may affect roads beyond that.

## 7.6 Options

### *Option 1 – status quo*

To manage Kaipara's road network:

- Plan to rehabilitate roads in areas of high or increasing use and at most risk of severe deterioration as funding allows.

To manage road width deficiencies triggered by increased traffic volumes:

- Identify roads with width deficiencies and address them as sealed road rehabilitation or unsealed pavement strengthening projects as funding allows.

To manage low volume roads:

- Identify low volume roads where maintenance could be reduced, or possibly stopped.

### *Option 2 – status quo plus strengthening roads used by a high volume of logging trucks*

To manage the impact of forestry on the roading network:

- Identify routes where logging trucks will operate, and importantly when, and undertake strengthening work on a 'just in time' basis; and
- Council has submitted a request to NZTA for additional funding, to help meet the cost of the additional renewals needed as a result of forestry activity. (NZTA is promoting a 'one network' approach to the management of forestry routes throughout Northland).

### *Option 3 - increase service levels on the unsealed network towards delivering to customer feedback on*

- Comfort of driving on unsealed roads (corrugation, potholes); and
- Dust reduction.

### The Provision of Roads and Footpaths Infrastructure Strategy Costs Table

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>10 Year Annual Detail</b>										
Operating Expenditure	10,513	12,275	12,758	10,141	10,513	10,810	11,128	11,476	11,847	12,254
Capital Expenditure	9,627	9,589	10,784	12,911	12,843	13,586	12,824	13,208	13,618	14,067
<b>Total</b>	<b>20,140</b>	<b>21,864</b>	<b>23,542</b>	<b>23,053</b>	<b>23,356</b>	<b>24,396</b>	<b>23,951</b>	<b>24,685</b>	<b>25,465</b>	<b>26,322</b>



	2015-2020 \$'000	2021-2025 \$'000	2026-2030 \$'000	2031-2035 \$'000	2036-2040 \$'000	2041-2045 \$'000	30 Year Total \$'000
<b>5 Year Period Summaries</b>							
Operating Expenditure	56,201	57,516	64,978	67,490	70,410	73,805	390,401
Capital Expenditure	55,754	67,303	77,302	81,934	86,505	90,939	459,737
<b>Total</b>	<b>111,955</b>	<b>124,819</b>	<b>142,280</b>	<b>149,424</b>	<b>156,915</b>	<b>164,744</b>	<b>850,138</b>

## 7.7 Most Likely Scenario

Option 2 is the preferred option. Roads will be maintained as affordable within the current budget levels plus a new targeted rate on forestry properties. This will mean that Council will not respond to customer demands for increased levels of service, and those acting as detours when State Highway 1 is closed may deteriorate. There is only small funding available for improvements in service levels. The improvements in service levels will be driven by availability of funding from a mixture of NZTA, Development Contributions and general rates. No rates or NZTA funding is available for seal extensions.

Council will prevent the anticipated damage to roads used for forestry traffic from harvesting in the years 2015 to 2021 requiring an additional \$5.5 million of which 61% could be received from NZTA in subsidy, leaving a local share of \$2.5 million to be rated by Council from setting a targeted rate on exotic forestry properties.

Road development over the next 10 years will be driven by the need to increase carriageway widths on some rural primary and secondary collector roads. The need is based on the level of heavy commercial vehicles using these roads, roads providing alternative detour access of State Highway traffic and increase in private development especially around the Mangawhai area.

The width deficiencies will be addressed as sealed road rehabilitation or unsealed pavement strengthening projects are completed.

### Road Widening Projects

It is proposed to do minor realignment and safety improvements to address sight distance deficiencies for frequently used forestry, dairy tanker, general produce and quarrying operations routes.

These roads have been identified for safety and minor alignment improvements over the next 6 to 10 years: Kaikohe Road, Mangatu Road, Waimatenui East Road, Mahuta Road, Mahuta Gap Road, Kellys Bay North Road, Kellys Bay South Road, Mt Wesley Coast Road, Pouto Road South, Waihue Road, Opanake Road and Te Maire Road.

Sealed roads that have been identified for sections of widening because they do not meet the standard width requirement causing safety concerns or potential increased traffic volume from new development are: sections of Molesworth Drive, Mangawhai Heads Road and Jack Boyd Drive.

Road widening, in conjunction with rehabilitation projects, is planned where pavement width poses a safety concern or there is pavement support deficiency and it is economically justified. It is expected a consistent approach to that of adjacent councils will be taken to width and delineation on State Highway 1 detour routes and primary and secondary collector routes. Key routes are: Paparoa-Oakleigh Road, Kaiwaka-Mangawhai Road, Molesworth Drive, Mangawhai Heads Road, Cove Road and Pouto Road.

### **Road Strengthening**

There are no road strengthening projects in the programme, with the exception of roads being prepared for sealing.

### **Seal Extensions**

NZTA subsidy for seal extensions are no longer available for us, however Mangawhai is identified as a growing area that has a number of roads requiring upgrading to meet demand created from development. To assist with road improvements Council will fund seal extension through a number of funding avenues triggered by Financial and Development Contributions attributed to a specific development. Also Council where justified, will strengthen unsealed road sections in anticipation of sealing the road and may improve safety aspects using minor works subsidised allocations to meet new customer levels of service.

Roading improvements are funded from subsidies received from the NZTA, Financial Contributions paid by developers and rates. Roads identified for sections of seal extension using the above criteria are: sections of Estuary Drive, Moir Point Road, Black Swamp Road and Settlement Road.

### **Bridges**

In the next five years, three bridges will be replaced, five bridges will be strengthened and three new culverts will be constructed. This programme will be updated as condition investigations are completed.

### **NZTA One Network Road Classification (ONRC)**

The purpose of ONRC is to bring national consistency to service levels and efficient investment to management of the road network across territorial boundaries. Council is yet to be fully informed or fully understand the implications of the new system. However we do know the following:

The ONRC consists of:

- Road classification system;

- Customer levels of service (provisional); and
- Performance measures.

The new NZTA classification system will be implemented over three years. The system is intended to:

- provide a nationally consistent framework that helps to inform activity management planning, investment choices, and maintenance and operational decisions;
- over time, road users can increasingly expect to have similar experiences across the country, on roads in the same category;
- support more consistent asset management across the country; and
- make collaboration and prioritisation easier between those organisations responsible for the planning, delivery, operation and maintenance of the nation's road network, leading to a more efficient and safer network and improved value for money.

There are six functional categories. Two categories have sub-categories.

- National (two volume levels);
- Regional;
- Arterial;
- Primary connector;
- Secondary connector; and
- Access (two volume levels).

To be classified in each category, a number of criteria need to be met. Volume criteria are different for urban and rural roads.

- Movement of people and goods (volume of daily traffic, HCV, buses, active modes); and
- Economic and social (linking places, access to ports and airports, lifelines, tourist destinations).

For Kaipara District, no roads meet the criteria for national or regional or possibly arterial classification (except State Highways). Most of our roads fall within the classification of secondary connector and access categories.

## **7.8 Customer Levels of Service**

Each classification has a specific service level. They are based on the principles of national consistency, safety, fit for purpose and affordability. The information on services levels currently available is provisional.

Service levels cover four categories/outcomes:

- Mobility (travel time, resilience, optimal speeds);
- Safety;
- Amenity; and
- Accessibility.

The service levels are very general, and differ by degree between classifications. It is the performance measures that quantify these service levels.

For roads within Kaipara this means (in summary):

	<b>Mobility – travel times</b>	<b>Mobility - resilience</b>	<b>Mobility – optimal speed</b>	<b>Safety</b>	<b>Amenity</b>	<b>Accessibility</b>
<b>Arterial</b>	Users experience consistent travel times except during holidays, major events, weather events.	The route or a viable alternative is always available except in emergencies. Priority restoration and users advised.	Higher speeds except where risks exist e.g. intersections, schools, high volumes, shops etcetera.	Variable road standards – safety guidance provided to users.	Good level of comfort, tolerance of some roughness. Contribute to local character and land use (urban or rural).	Some land use access restrictions tolerated. Higher classified roads have priority. Good quality information available to users.
<b>Primary collector</b>	Generally consistent travel times except where affected by weather or other road users.	Route nearly always available except in weather events or emergencies. Alternate routes usually available. Moderate priority to clear incidents.	Travel speed depends on risk, mixed use, adjacent land use.	Variable road standards and alignments. Lower speeds and user vigilance required. Some safety guidance may be available to users.	Moderate levels of comfort, occasional areas of roughness. Roads contribute to local character and adjacent land use.	Some land use access restrictions tolerated. Higher classified roads have priority. Good quality information available to users.

	Mobility – travel times	Mobility - resilience	Mobility – optimal speed	Safety	Amenity	Accessibility
<b>Secondary Collector</b>	Travel times may vary as a result of other road users, weather and road conditions.				Moderate level of comfort, more areas of roughness. Roads contribute to local character and adjacent land use.	Some land use access restrictions tolerated. Some condition variability  Higher classified roads have priority. Good quality information available to users.
<b>Access</b>	Varied travel times affected by other users, weather and road conditions.	Route may not be available at all times. Alternates may not exist. Lower priority for clearance of incidents.	Travel times depend on risk. Recognition of road use for access to schools, shops etcetera.	Variable road standards and alignment. Driver vigilance required.	Low levels of comfort, extended areas of roughness. Conditions reflect adjacent land use and function.	Access to all adjacent properties Users should expect variability. Higher classified roads have priority.
<b>Access (low volume)</b>		Route may not be available in some weather. Alternatives may not exist. Lowest priority for clearance.				

The Asset Management Plan (AMP) will introduce a transition plan to support NZTA investment in the Kaipara District road network regarding maintenance renewal and operation decisions. Over time NZTA is aiming for national consistency for the level of service delivered by a network for the customers. The transition plan will fully implement the ONRC and apply the business case approach principals in the preparation for the 2018/2021 National Land Transport Programme (NLTP).

## 7.9 Impact on Rates

Funding for Roads and Footpaths comes from:

- The general rate; this activity accounts for around 38% of rates revenue;
- The NZTA subsidy at 61% (previously 59%); and
- The '*Forestry Roding Rate*' imposed on exotic forestry properties based on land value (at 0.008015) for six years to collect \$2.5 million between 2015/2016 and 2020/2021. This applies to 118 properties.

This is a decrease in the percentage of rates going to roads because of the increase in NZTA subsidy.

## 8 Flood Protection and Control Works

### 8.1 Overview

Flood control is a shared responsibility between Kaipara District Council and Northland Regional Council. Flood protection and control work consists of flood control schemes, river alignment control, and land drainage. Stopbanks and floodgates help protect against flooding, and the monitoring of tidal and stormwater levels during weather events helps to provide warning of potential flooding. Weedspraying, drain clearance, floodgate and outlet maintenance helps the land drainage network operate to full capacity. The purpose of the infrastructure is to protect people and properties (including private land and infrastructure and especially productive land) from flooding and tidal flows.

Flood protection work in Kaipara District is concentrated in the Raupo drainage district; the area of the Ruawai flats adjacent to the Northern Wairoa River. This very fertile area makes a substantial economic contribution, primarily dairy farming and kumara growing. The township of Dargaville also benefits from flood protection work, including stopbanks and floodgates. Flood protection for Dargaville is included in the Stormwater activity.

### 8.2 Assets, their Age, Condition and Maintenance

There is Raupo District Drainage Scheme (Raupo) and 28 other defined land drainage area schemes although Raupo accounts for 50% of the total expenditure. Raupo is managed by a standing committee of Kaipara District Council. Construction of the flood protection infrastructure began in the early 1900s and was paid for by landowners.

The range in size of these defined areas varies from small and what is considered non-active, such as Sunnynook with 840m of drains and stopbanks with 1 floodgate, to the largest, Raupo with 52km of drains and stopbanks and 52 floodgates.

Smaller districts meet once to twice yearly to determine the amount of maintenance needed within their district. The largest area, Raupo meets quarterly to discuss maintenance and any other issues within the system.

<b>Asset profile:</b>				
<b>Northern Area Land Drainage Assets by Asset Type as at 30 June 2013</b>				
<b>Asset Type</b>	<b>Replacement Cost (\$)</b>	<b>Depreciated Replacement Cost (\$)</b>	<b>Accumulated Depreciation (\$)</b>	<b>Annual Depreciation (\$)</b>
Drains	\$3,959,291	\$3,959,291	\$0	\$0
Floodgates	\$1,647,571	\$739,225	\$908,346	\$29,168
<b>Total 2013</b>	<b>\$5,606,862</b>	<b>\$4,698,516</b>	<b>\$908,346</b>	<b>\$29,168</b>
<b>Raupo Land Drainage Assets by Asset Type as at 30 June 2013</b>				
<b>Community</b>	<b>Replacement Cost (\$)</b>	<b>Depreciated Replacement Cost (\$)</b>	<b>Accumulated Depreciation (\$)</b>	<b>Annual Depreciation (\$)</b>
Land Drainage reserves	\$131,027	\$131,027	\$0	\$0
Wharf Road buildings	\$224,751	\$85,439	\$139,312	\$2,248
Jellicoe Depot	\$12,102	\$9,578	\$2,524	\$35
Drains	\$3,983,467	\$3,983,467	\$0	\$0
Stopbanks	\$2,354,758	\$2,354,758	\$0	\$0
Rip rap	\$480,000	\$67,200	\$412,800	\$4,800
Floodgates	\$2,957,387	\$796,154	\$2,161,234	\$58,281
Wallace Road pump station	\$320,170	\$106,967	\$213,203	\$5,076
Boundary gates	\$32,117	\$7,708	\$24,409	\$642
<b>Total 2013</b>	<b>\$10,495,779</b>	<b>\$7,542,298</b>	<b>\$2,953,482</b>	<b>\$71,082</b>

### 8.3 Risk and Hazard Management

Risk and hazard management is managed by operational staff with a working knowledge of each system. Their working knowledge includes where any pressure points are in a weather events and which areas are likely to be at risk.

Along with this, impairment testing is carried out on major asset components including Flood Protection. The purpose of testing is to identify any significant change in the performance or condition of the assets from when they were last valued. Testing occurred in 2014, and undertaken by Council's professional service providers MWH. The testing found two floodgates due for replacement in Raupo and one in Sunnynook.

#### 8.4 Issues, Options and Implications

Climate change will mean more flooding from extreme weather events and sea level rise, leading to higher water levels in rivers and other waterways. The impact of this occurrence will reinforce the importance of the renewal/improvement programme. The stopbank heights are being continually raised using the dredged material. This is both a financially prudent way of disposal of the material and in response to the need to prepare for higher future flood levels.

Most Council expenditure on flood control, planned over the next thirty years, will be operational.

Council estimates that \$26.7 million will be spent on flood control from 2015 to 2045, which is made up of operational (maintenance) spending, and some renewal work.

Council has budgeted to spend \$1.6 million on floodgate replacement in the next thirty years (this assumes that one floodgate will be replaced every three years - floodgates costs between \$25,000 and \$100,000 depending on size). Council has also budgeted \$1.7 million (this assumes that annual programmed work will continue at \$40,000 per year), to increase stopbank levels within the Raupo Drainage District.

Flood control infrastructure is funded by a targeted rate on Dargaville and Ruawai properties, the people that can use and benefit from the service pay for it, rather than the whole District.

One possible alternative option is the transfer of responsibility for this activity to Northland Regional Council.

#### Flood Protection and Control Works Infrastructure Strategy Costs Table

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>10 Year Annual Detail</b>										
Operating Expenditure	465	481	496	510	527	545	565	587	609	633
Capital Expenditure	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>465</b>	<b>481</b>	<b>496</b>	<b>510</b>	<b>527</b>	<b>545</b>	<b>565</b>	<b>587</b>	<b>609</b>	<b>633</b>



	2015-2020 \$'000	2021-2025 \$'000	2026-2030 \$'000	2031-2035 \$'000	2036-2040 \$'000	2041-2045 \$'000	30 Year Total \$'000
<b>5 Year Period Summaries</b>							
Operating Expenditure	2,480	2,939	3,692	4,452	5,328	6,320	25,210
Capital Expenditure	0	0	411	215	450	483	1,559
<b>Total</b>	<b>2,480</b>	<b>2,939</b>	<b>4,103</b>	<b>4,666</b>	<b>5,778</b>	<b>6,803</b>	<b>26,769</b>

## 8.5 Most Likely Scenario

The Council's maintenance programme for flood control will continue to direct expenditure where and when required for the infrastructure to perform as required.

Operating expenditure for the years 2015 to 2045 is projected to be \$25.2 million.

There is no capital expenditure for flood control infrastructure.

This approach will need to be reviewed once the Northland Regional Council completes the catchment mapping and modelling intended to cover key catchments – work programmed over the next few years.

## 8.6 Impact on Rates

The impact on rates will be dependent on decisions made by the drainage groups themselves. The targeted rates are based on land value and vary every year between each drainage area, depending on the works programme agreed e.g. in 2015/2016 year the revenue collected will be around \$274,000 from 28 small drainage areas and \$327,000 from Raupo. There is one drainage district within Kaipara under the governance of NRC, that being Kaihu Valley drainage district. The number of properties funding land drainage is 2,418.

The targeted rates apply to all land in each of the following land drainage schemes:

Aoroa	Aratapu Village	Hoanga	Koremoa	Notorious	Tangowahine N°1	Tatarariki N°2
Arapohue N°1	Awakino Point	Horehore	Mangatara	Oruariki	Tangowahine N°2	Tatarariki N°3
Arapohue N°2	Awakino Village	Kaihu	Manganui	Otiria	Tangowahine Valley	Tikinui
Aratapu Swamp	Greenhill	Kopuru Swamp	Mititai	Owairangi	Tatarariki N°1	Whakahara

## 9 Stormwater

### 9.1 Overview

Council operates stormwater schemes for the Dargaville/Baylys, Te Kopuru, Kaiwaka and Mangawhai communities, using a mixture of open drains and underground pipes. The aim of the service is to protect people, dwellings, private property and public spaces from flooding, by managing the flow of stormwater in a manner that protects public and environmental health.

Stormwater systems are mainly funded by a targeted rate on properties in Dargaville/Baylys, Te Kopuru, Kaiwaka and Mangawhai, with the whole District paying 10% of the cost.

Stormwater drainage systems are incorporated into the roading network (as roadside drains), in other communities such as Glinks Gully, Kellys Bay, Pahi, Whakapirau, Tinopai, Paparoa and Matakoho.

### 9.2 Assets, their Age, Condition and Maintenance

Council has four stormwater schemes – in Dargaville/Baylys, Kaiwaka, Mangawhai and Te Kopuru. These consist of piped drains, open drains, manholes, inlets/outlets and detention ponds.

Community	Pipeline Length (m)	Open Drain(m)
Baylys	3,960	9.97
Dargaville	35,274	34,671
Kaiwaka	1,646	261.73
Mangawhai	22,542	7,398
Te Kopuru	149.33	4,760
<b>Grand Total</b>	<b>63,571</b>	<b>47,100</b>

#### Notes

Pipelines are composed of the following pipe types: Culvert, Gravity Main, Catchpit Lead.

Open Drains are composed of the following pipe types: Drain, Open Drain, Overland Flow Path, and Swale Drain.

Various natural assets such as overland flow paths and soft assets including riparian planting are located throughout the District.

Condition and performance data relating to stormwater assets is not well-documented. The asset register also needs improvement to remove errors. For example, 41% of pipe diameters are unknown, and 61% of pipe materials are unknown. Of all pipes, 43% have no data on either diameters or materials. There are no stormwater detention pond operations and maintenance manuals. A three-year programme is underway to improve knowledge of Council assets and their condition. Mangawhai is an exception to this, as the pipe network is recent. Its condition is known to be very good.

The average life expectancy of stormwater pipes is between 60-70 years. The average life expectancy of stormwater points is closer to 100 years. In relation to our currently knowledge, most components have some years of life left, but up to a third in some areas are at the end of their expected lives. The condition of critical aboveground assets is better known and a maintenance and renewal programme is in place to address condition issues over time.

There is no budget available to increase the length of piped drains. This means that the open drains, predominantly in rural or lifestyle areas, will remain. Their maintenance is essential to retain good flow.

Many drains flow into harbours or waterways.

### **9.3 Risk and Hazard Management**

Climate change will place additional demand on stormwater infrastructure as heavy rain events become more common and more severe. This will need to be addressed as part of any replacement programme where pipe capacity may need increasing. Open drains should manage any extra demand expected.

The District Plan requires new buildings to have all habitable floors designed with a minimum freeboard height to floor level of 500mm above the 100 year Average Recurrence interval flood level. This is will able to be better applied once NRC completes their programme of catchment mapping and modelling of key catchments.

Dargaville has a high flood risk. It has stopbanks and a floodwall along the Kaihu and Northern Wairoa Rivers. These are being raised as sea levels rise.

Environmental management issues may become more pressing given that over 100 stormwater outfalls are into harbours/watercourses. 14 swimming sites are monitored by NRC over summer. There was 96% compliance over the 2013/2014 summer period.

### **9.4 Issues, Options and Implications**

Much of our underground assets are of unknown condition. Given the age of some pipes, it is suspected that some are at the end of their effective life, and at risk of failure. There have been no significant failures to date so the life may be more than expected. Improved condition knowledge is essential. We do know that there is a significant backlog of renewal work to clear especially in Dargaville.

As a result, projected costs are indicative and actuals may vary from those projected.

There are some growth-related projects planned for Mangawhai, but no significant growth work is planned anywhere else in the District. There is no programme to pipe (enclose) open drains.

## **Options**

### ***Option 1: Enhanced status quo***

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### ***Option 2: Consider affordable alternatives***

Institute a maintenance approach (without renewals) for three years that:

- Maintains performance at current services levels, while we investigate alternatives for funding and/or provision of service.

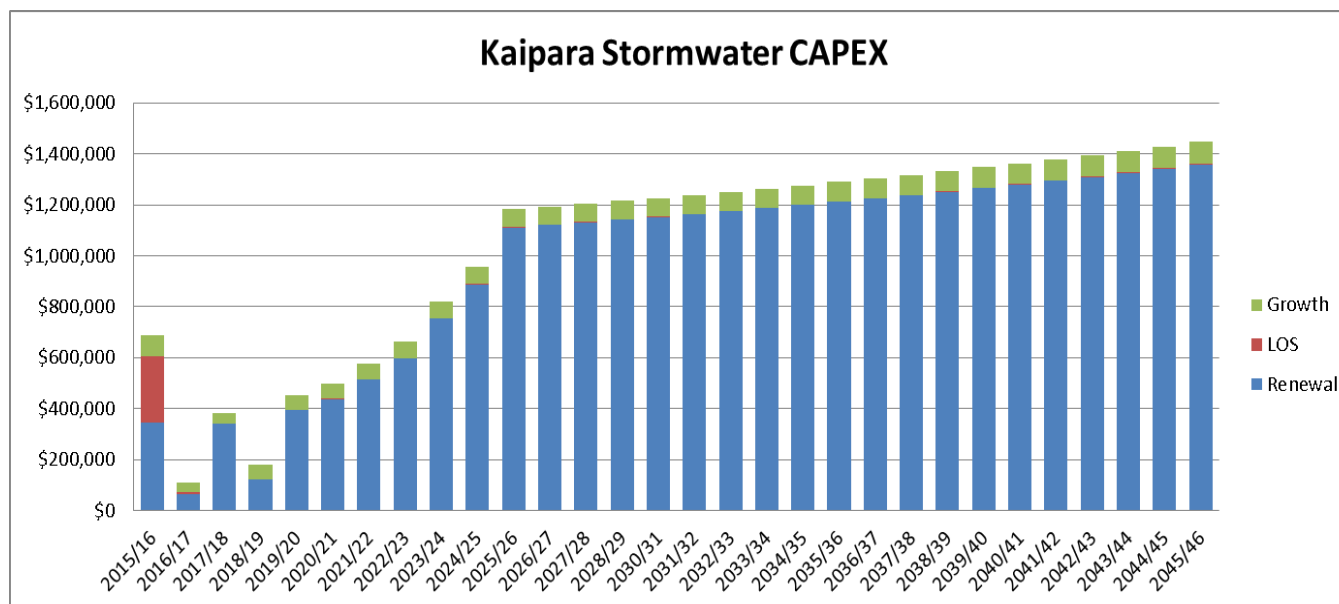
### ***Option 3: Review service delivery model***

Institute an affordable renewals programme that:

- Meets consent conditions: and
- Addresses the backlog of renewals required over time while we investigate alternatives for provision e.g. community management, industry management based on dominant user/s.

Operating expenditure for the years 2015 to 2045 is projected to be \$28.5 million.

Capital expenditure for this period is projected to be \$31.4 million. Of this, \$28.9 million is for renewal work, \$0.3 million for work to improve the level of service, and \$2.1 million to accommodate growth as follows:



### Stormwater Drainage

#### Infrastructure Strategy Costs Table

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>10 Year Annual Detail</b>										
Operating Expenditure	595	602	619	637	657	678	701	726	753	782
Capital Expenditure	687	112	382	178	452	497	577	662	821	958
<b>Total</b>	<b>1,282</b>	<b>714</b>	<b>1,001</b>	<b>815</b>	<b>1,109</b>	<b>1,176</b>	<b>1,278</b>	<b>1,388</b>	<b>1,574</b>	<b>1,740</b>

	2015-2020 \$'000	2021-2025 \$'000	2026-2030 \$'000	2031-2035 \$'000	2036-2040 \$'000	2041-2045 \$'000	30 Year Total \$'000
<b>5 Year Period Summaries</b>							
Operating Expenditure	3,111	3,641	4,284	4,981	5,791	6,733	28,542
Capital Expenditure	1,810	3,515	6,022	6,318	6,662	7,062	31,390
<b>Total</b>	<b>4,921</b>	<b>7,156</b>	<b>10,307</b>	<b>11,299</b>	<b>12,453</b>	<b>13,795</b>	<b>59,931</b>

## Most Likely Scenario

### *Option 1: Enhanced status quo*

Institute an affordable renewals programme that:

- Meets consent conditions: and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

There are no plans to pipe open drains.

### Impact on rates

The proposed impact on rates will vary by scheme. The targeted rate is proposed to increase by \$107,000 (10%) in 2015/2016 and steadily increase thereafter to begin funding renewals.

Council has set rates so that 10% of the stormwater network costs are funded by all ratepayers through the general rate. The remaining 90% of costs continue to be funded by the targeted rate.

Operating costs for stormwater (except interest and depreciation) are split evenly between individual networks based upon land values. The operating costs (excluding interest and depreciation) are then combined with the capital costs (including interest, funded depreciation and loan repayments) in each individual scheme to calculate the rate payable for those connected to each scheme. This reflects a move towards 'equalising' the rate payable for the service being received irrespective of location. This approach recognises the argument that the service being received by the end user is the 'same' irrespective of location and hence the costs should be similar.

## 9.5 Impact by Scheme

### *Te Kopuru*

#### *Issues*

Te Kopuru's stormwater is primarily managed through a network of 4.7km of open drains which flow into gullies and then into the Northern Wairoa River.

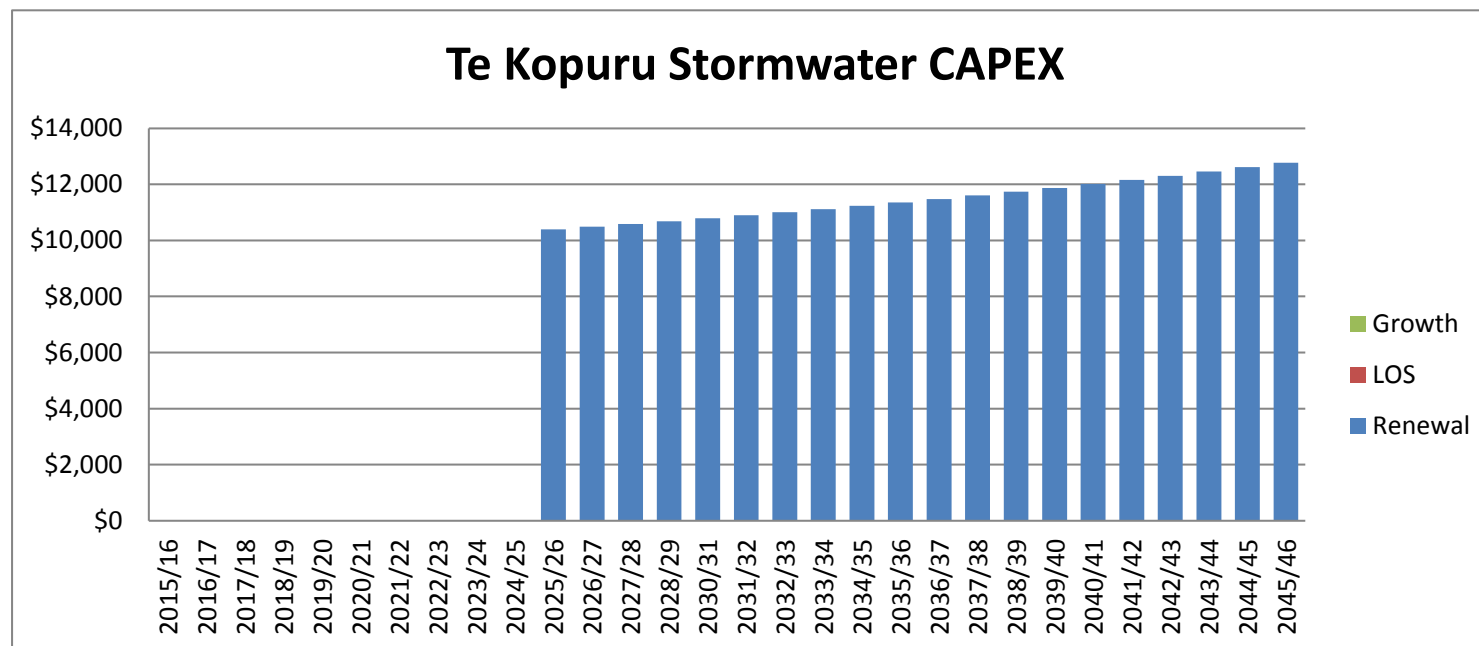
There are also 74m of stormwater pipeline which is aging and will need renewal in future years.

#### *Implications*

Te Kopuru's stormwater system is mainly funded by a targeted rate on Te Kopuru properties.

Operating expenditure for the years 2015 to 2045 is \$0.9 million.

Capital expenditure for the years 2015 to 2045 is as follows:



## Most Likely Scenario

### *Option 1: Enhanced status quo*

Institute an affordable renewals programme that:

- Meets consent conditions: and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### Impact on Rates in 2015/2016

The proposed impact on rates will be a decrease of the targeted rate by \$5,800 (30%) in 2015/2016. No major works are planned in the first 10 years.

### *Dargaville/Baylys*

#### *Issues*

The Dargaville urban area is serviced by an underground pipeline and open drain stormwater network; much of the pipeline infrastructure is aged and there is a significant amount of deferred work to be addressed. Baylys also has some stormwater infrastructure.

After heavy rain events, stormwater can infiltrate the wastewater infrastructure, leading to overflow into the Northern Wairoa River and surrounding areas. (Some tolerance to 'consents' is allowed for heavy weather events.)

#### *Implications*

The Dargaville stormwater system is 90% funded by a targeted rate on Dargaville properties.

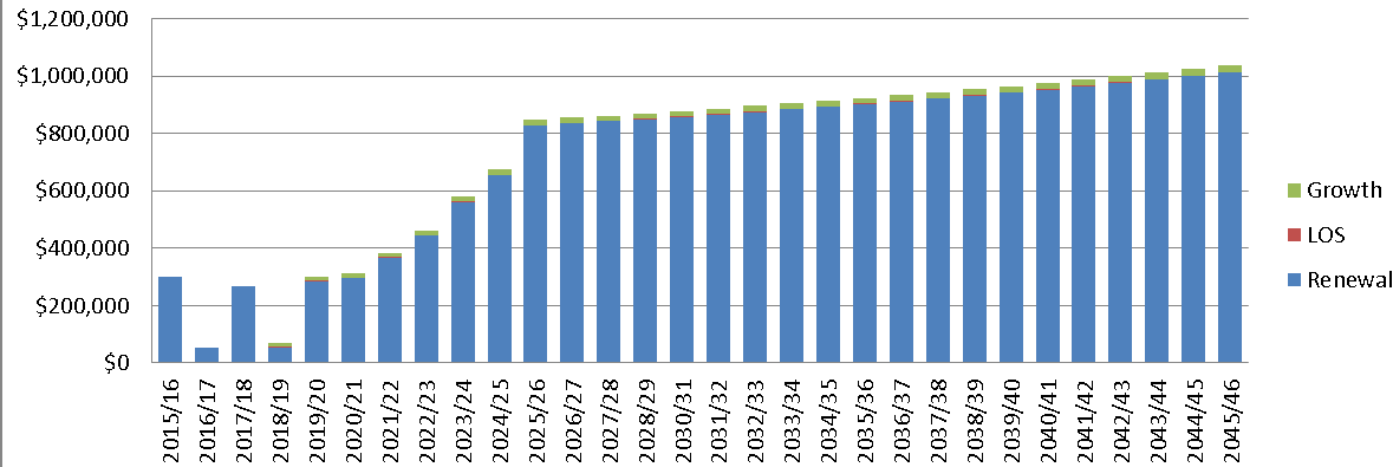
The declining population and changing demographic makes a full upgrade and replacement uneconomic and unaffordable under the current funding model.

Operating expenditure for the years 2015 to 2045 is \$18.2 million.

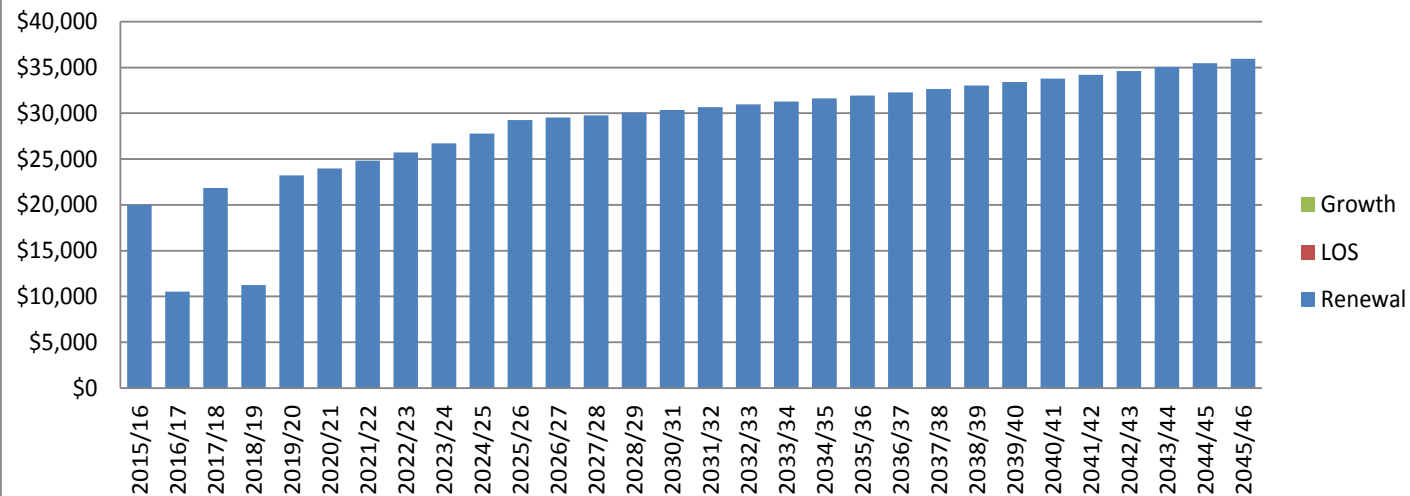
Capital expenditure for the years 2015 to 2045 is as follows:



### Dargaville Stormwater CAPEX



### Baylys Stormwater CAPEX



## Most Likely Scenario

### *Option 1: Enhanced status quo*

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### **Impact on Rates in 2015/2016**

The proposed impact on rates for Dargaville will be an increase of the targeted rate by \$27,500 (7%) in 2015/2016. This is in order to fund renewal of old concrete pipes which were laid without proper joining.

The proposed impact on rates for Baylys will be a decrease of the targeted rate by \$12,300 (20%) in 2015/2016.

## ***Kaiwaka***

### *Issues*

The stormwater system in Kaiwaka is mainly associated with the State Highway and the roads joining it. The assets are ageing and will require substantial replacement from 2025 to 2045.

### *Implications*

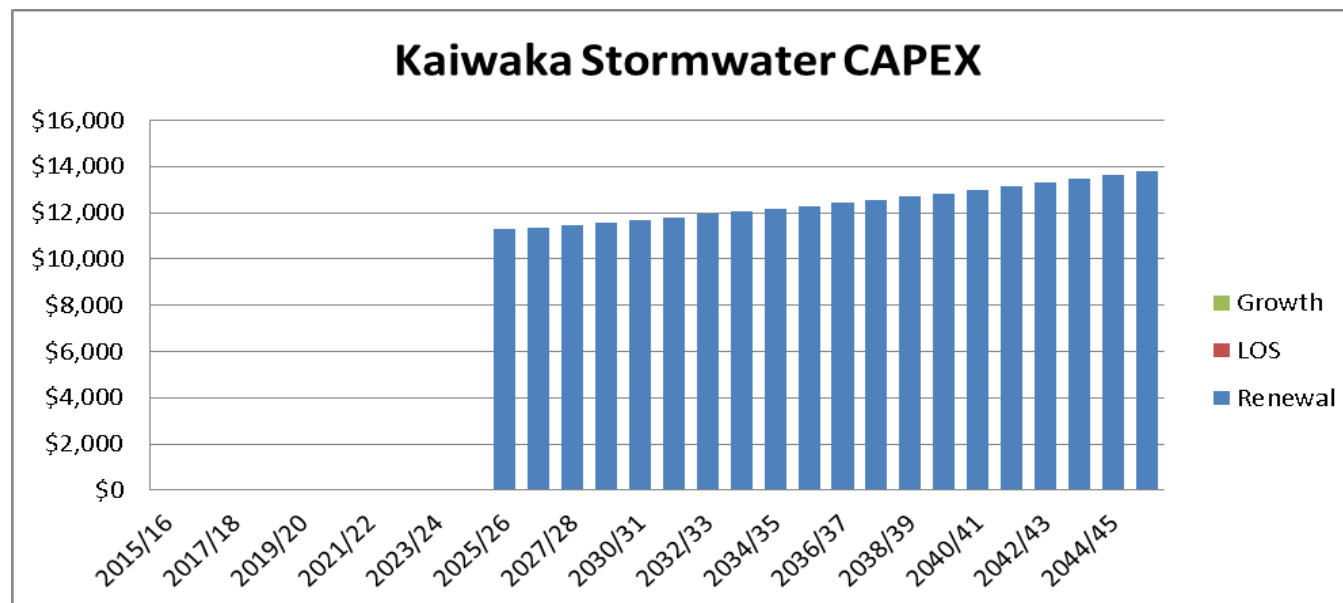
Kaiwaka's stormwater system is 90% funded by a targeted rate on Kaiwaka properties and the remaining 10% is from the general rate.

Total capital expenditure work for stormwater in Kaiwaka for the next 30 years is \$0.2 million.

Renewal work will keep the system working, but will have cost implications.

Operating expenditure for the years 2015 to 2045 is \$1.6 million.

Capital expenditure for the years 2015 to 2045 is as follows:



### Most Likely Scenario

#### Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

#### Impact on Rates in 2015/2016

The proposed impact on rates will be an increase of the targeted rate by \$3,300 (30%) in 2015/2016. This represents the operational cost of the Kaiwaka Stormwater Network. No capital investment is planned in the next 10 years.

## Mangawhai

### Issues

There are none.

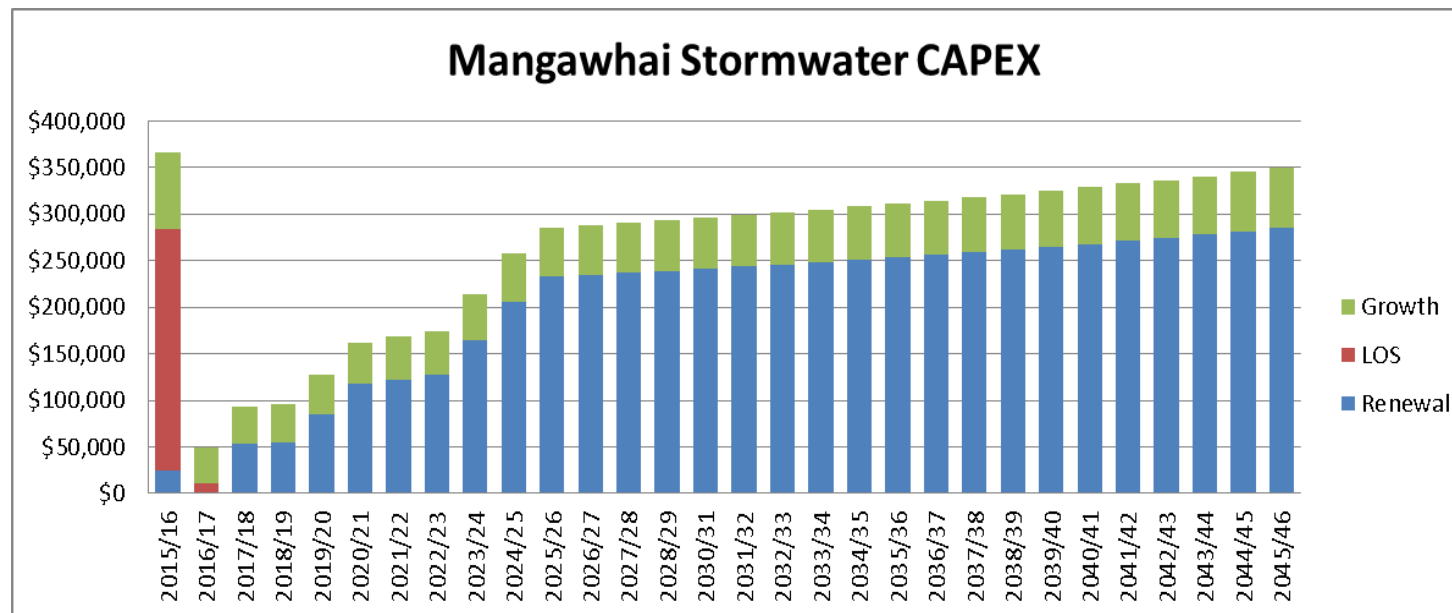
### Implications

Mangawhai's stormwater system is 90% funded by a targeted rate on Mangawhai properties and the remaining 10% is from the general rate.

The projected total cost of capital expenditure for Mangawhai Stormwater for the next 30 years is \$8.0 million. Of this, \$6.1 million is on renewal, \$0.3 million on work that improves levels of service and \$1.6 million to accommodate growth.

Operating expenditure for the years 2015 to 2045 is \$6.4 million.

Capital expenditure for the years 2015 to 2045 is as follows:



## Most Likely Scenario

### *Option 1: Enhanced status quo*

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### Impact on Rates in 2015/2016

The proposed impact on rates will be an increase of the targeted rate by \$96,700 (17%) in 2015/2016. The system is relatively new so renewals is not a major component. The cost increase represents extensions needed to the network to cater for growth being experienced.

## 10 Wastewater

### 10.1 Overview

Council operates wastewater schemes in the Dargaville, Te Kopuru, Glinks Gully, Maungaturoto, Kaiwaka and Mangawhai communities. The wastewater systems collect and treat wastewater then discharges it into surrounding environments in a sustainable, environmentally friendly manner. The purpose of the service is to protect public and environmental health.

Dargaville, Kaiwaka and Maungaturoto wastewater systems are funded by a targeted rate on properties in those areas.

Te Kopuru and Glinks Gully wastewater systems are only partly funded by a targeted rate on properties in those areas.

Mangawhai's wastewater system is currently funded by a targeted rate on Mangawhai properties, as well as being partly funded by the general rate on all Kaipara properties.

### 10.2 Assets, their Age, Condition and Maintenance

The assets that form the wastewater systems include treatment plants (5), pump stations (32), rising mains (17km) gravity lines (117km), points (approximately 1,870)

and connections (4,323). The condition of wastewater assets is not well-documented, and the current asset register contains errors. There is a programme of data cleansing and condition assessments planned over the next three years. This has already begun for critical assets including those aboveground. The least known is about underground assets. It is known that there are sections of the older schemes that have old asbestos cement pipes in poor condition. The known issues are:

- Dargaville has over 10,000m of pipes aged over 60 years
- Maungaturoto, Te Kopuru and Kaiwaka have most of their pipes aged over 30 years.

While Dargaville has the biggest backlog, renewals will be due in other schemes in 10 plus years. For some communities where population is in decline, funding this renewals programme will be very difficult.

### **10.3 Risk and hazard management**

Stormwater infiltration and vice versa places capacity challenges on network pipes and treatment plants. Dargaville has the greatest level of infiltration. They also have the greatest risk of flooding which would increase infiltration risks. The renewal programme will need to take these issues into account.

Unplanned discharges occur during power failures. This creates environmental risk as overflows of raw sewerage can go into waterways. There are currently no plans to install emergency power systems at plants.

Trade waste going into the Dargaville plant creates greater work for the retention ponds. This means that they require more de-sludging at a cost to all properties connected to the system.

### **10.4 Issues, Options and Implications**

Aside from Mangawhai, much of this infrastructure is aging or aged, so the most significant expenditure over the next thirty years will be on renewal work. There is a backlog of renewal work for Dargaville and the quickly approaching renewal wave needed for all other schemes except Mangawhai, will be a challenge of affordability for these communities.

As a result, project costs are indicative and actuals may vary from those projected.

Significant expenditure will be needed for Mangawhai if a decision is made to accommodate growth and new connections. This has been allowed for in the latter years of the LTP 2015/2025. An Advisory Panel comprising six community members and two Commissioners has been formed to consider the question of extending the reticulation network and expanding the disposal capacity to better utilise the plant capacity. The business case for extension (or otherwise) will not be completed in time for inclusion in this Infrastructure Strategy nor the LTP 2015/2025.

The MCWWS system and reticulation network is fairly new; there is no more than minor renewal work until the latter part of the next ten years.

## Options

### ***Option 1: Enhanced status quo***

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### ***Option 2: Consider affordable alternatives***

Institute a maintenance approach (without renewals) for three years that:

- Maintains performance at current services levels, while we investigate alternatives for funding and/or provision of service.

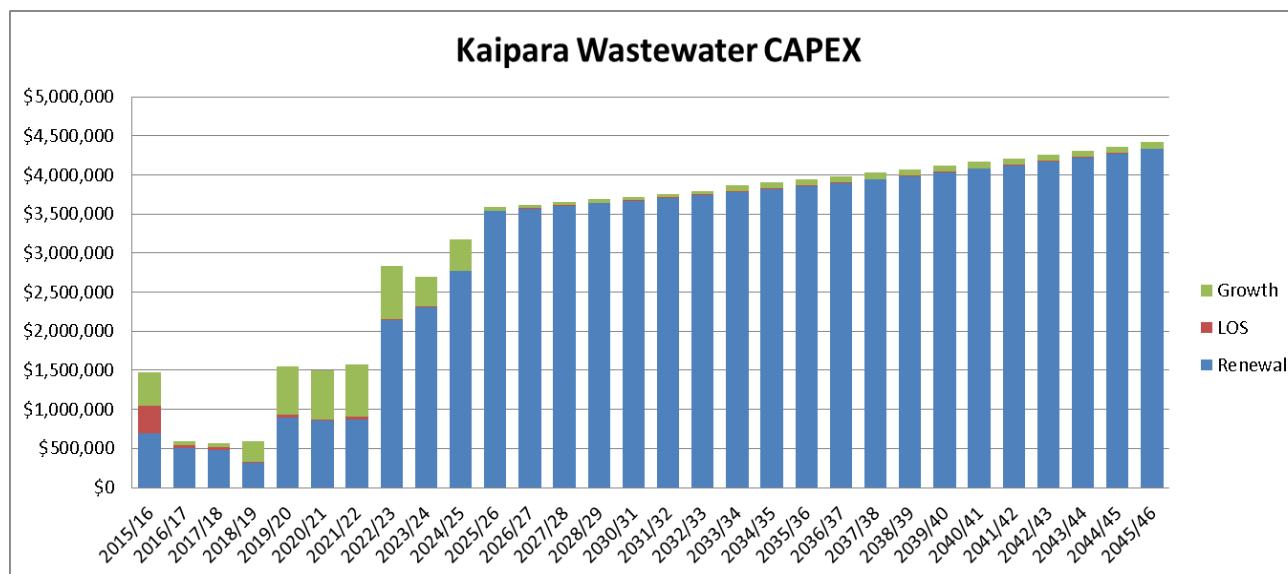
### ***Option 3: Review service delivery model***

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses the backlog of renewals required over time while we investigate alternatives for provision e.g. community management, industry management based on dominant user/s.

Operating expenditure for the years 2015 to 2045 is projected to be \$165.0 million.

Capital expenditure for this period is projected to be \$96.0 million. Of this, \$89.8 million is for renewal work, \$0.7 million for work that improves the level of service, and \$5.5 million to accommodate growth as follows:



### Sewerage and the Treatment and Disposal of Sewage Infrastructure Strategy Costs Table

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>10 Year Annual Detail</b>										
Operating Expenditure	3,586	3,333	3,242	3,290	3,597	3,601	3,710	4,094	4,716	4,483
Capital Expenditure	1,475	589	561	593	1,544	1,504	1,571	2,838	2,698	3,176
<b>Total</b>	<b>5,060</b>	<b>3,922</b>	<b>3,803</b>	<b>3,883</b>	<b>5,141</b>	<b>5,105</b>	<b>5,280</b>	<b>6,932</b>	<b>7,414</b>	<b>7,659</b>
<b>5 Year Period Summaries</b>										
	2015-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	30 Year Total			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Operating Expenditure	17,047	20,605	25,052	29,126	33,864	39,372	165,065			
Capital Expenditure	4,762	11,786	18,273	19,261	20,372	21,560	96,015			
<b>Total</b>	<b>21,809</b>	<b>32,391</b>	<b>43,325</b>	<b>48,388</b>	<b>54,236</b>	<b>60,932</b>	<b>261,080</b>			



## Most Likely Scenario

The most likely option differs between schemes and will be discussed scheme by scheme in the following section.

There are two schemes that are situated in small communities with declining populations. The schemes are old and in need of asset renewal work. Under the current charging policy, the communities would be charged targeted rates to pay for the needed renewals and upgrade. This would make the rates far higher than is seen as affordable for these communities (Te Kopuru and Glinks Gully). This plan allows for the further deferral of renewal works for a period of three years while Council works with the two communities to identify affordable and viable options for the future. The budget allows for a renewal programme to begin after these three years. This should not be taken as a decision that Council will continue (or stop) operating these schemes. The decision has yet to be made and will be made with the communities involved.

## Impact on Rates

For 2015/2016, \$2.7 million of costs associated with the Mangawhai wastewater treatment plant, reticulation and dam are included in the calculation of the general rate. The remaining costs related to wastewater are separated into defined operating and defined capital costs. Defined operating costs are operational costs excluding interest and depreciation and defined capital costs are capital costs (i.e. including loan repayments) plus interest and funded depreciation.

For the purposes of calculating each targeted rate, except the Te Kopuru network, defined operating costs are aggregated across all wastewater schemes and divided by the total number of wastewater charges (connected equivalent) for properties connected and capable of connection to the networks. The defined capital costs for each respective network are added onto the average defined operating costs.

For affordability reasons, Council has calculated the targeted rate for the Te Kopuru network separately on a scheme basis pending an investigation of alternative options. Alternatives for Glinks Gully will also be investigated, but for affordability reasons this scheme has been calculated in the same manner as all other schemes (except Te Kopuru).

## 10.5 Impact by Scheme

### *Te Kopuru*

#### *Issues*

Te Kopuru's wastewater treatment system and pipelines are old and there is a backlog of renewal work to be done. Te Kopuru's small population makes affordability a challenge.

### Implications

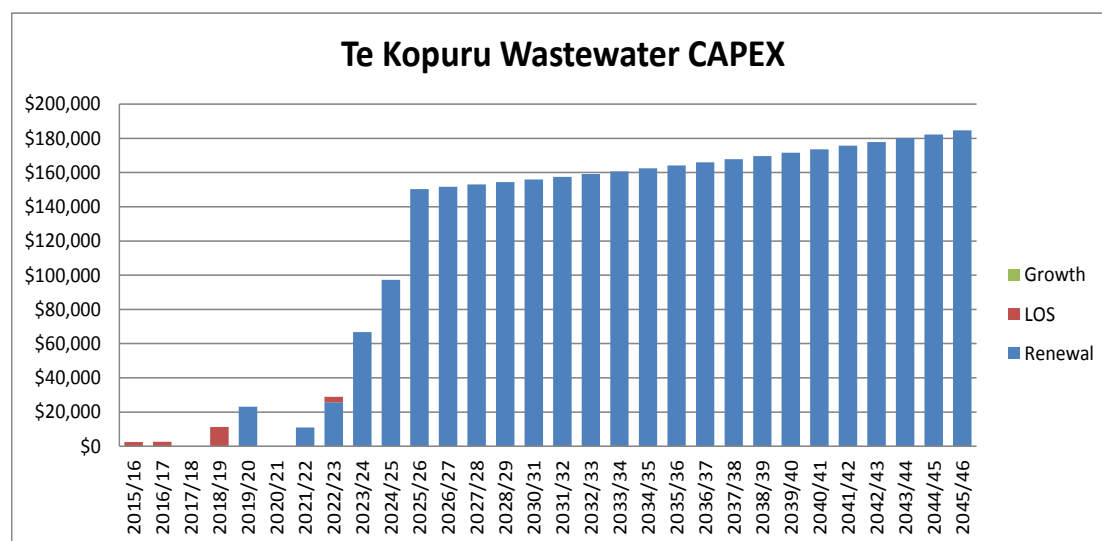
Te Kopuru's wastewater system is funded by a targeted rate on Te Kopuru properties.

The small population makes a full upgrade and replacement uneconomic and unaffordable under the current funding model.

This scheme will continue to meet its environmental discharge consent.

Operating expenditure for the years 2015 to 2045 is \$4.5 million.

Capital expenditure for the years 2015 to 2045 is as follows:



### Most Likely Scenario

#### Option 2: Consider affordable alternatives

Institute a maintenance approach (without renewals) for three years that:

- Maintains performance at current services levels, while we investigate alternatives for funding and/or provision of service.

#### Impact on Rates in 2015/2016

The proposed impact on rates will be a decrease of the targeted rate by \$25,700 (20%) in 2015/2016

The proposed impact on rates for the next three years will be negligible whilst alternatives for funding and/or provision of service are investigated.

The proposed impact on rates if the renewal programme was fully funded would be, we believe, unaffordable to the community e.g. \$20,000 in year 2019/2020 across 232 ratepayers.

### **Glinks Gully**

#### *Issues*

Glinks Gully's wastewater scheme is designed to service a peak population of 72, and the system connects to 18 septic tanks serving 24 houses located on private properties. The wastewater treatment system and pipelines are aging, and replacement work will be needed in the future.

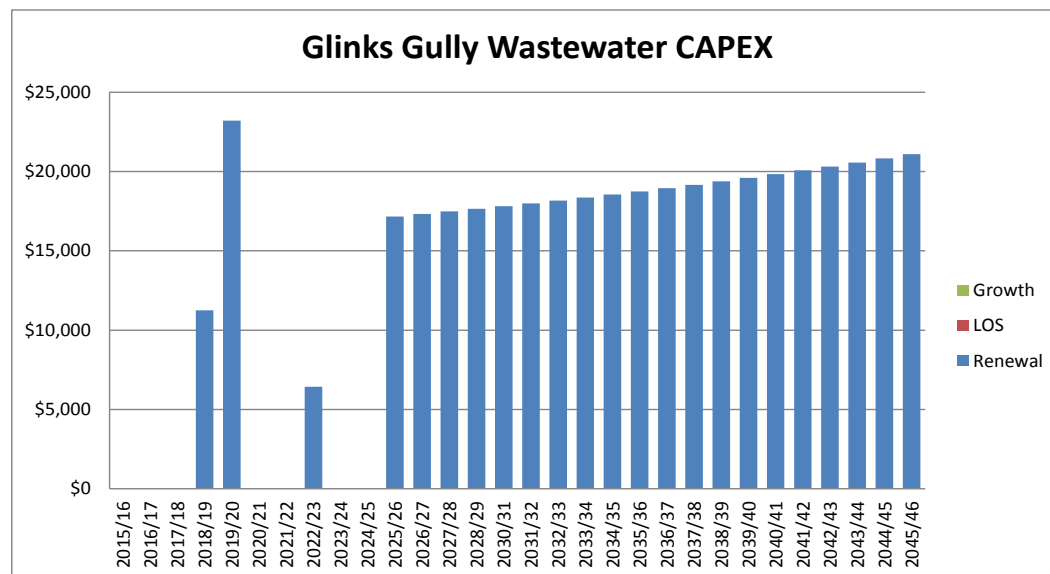
The small population and small number of properties make a full upgrade and replacement uneconomic e.g. a \$420,000, 30 year CAPEX programme for 24 properties.

#### *Implications*

Glinks Gully's wastewater system is **partly** funded by a targeted rate on Glinks Gully properties.

Operating expenditure for the years 2015 to 2045 is \$2.4 million.

Capital expenditure for the years 2015 to 2045 is as follows:



## **Most Likely Scenario**

### ***Option 2: Consider affordable alternatives***

Institute a maintenance approach (without renewals) for three years that:

- Maintains performance at current services levels, while we investigate alternatives for funding and/or provision of service.

### **Impact on Rates in 2015/2016**

The proposed impact on rates will be an increase of the targeted rate by \$300 (1%) in 2015/2016.

The proposed impact on rates for the next three years will be negligible whilst alternatives for funding and/or provision of service are investigated.

The proposed impact on rates if the renewal programme was fully funded would be, we believe, unaffordable to the community e.g. \$23,000 in year 2019/2020 across 26 ratepayers.

## ***Dargaville***

### ***Issues***

Dargaville is serviced by a wastewater treatment plant, 40km of wastewater pipelines, 15 pump stations and 9km of rising main pipes that pump wastewater from pump stations to the treatment plant.

Dargaville's wastewater system and pipelines are aged and there is a significant amount of deferred renewal work to be addressed.

After heavy rain events, stormwater can infiltrate the wastewater infrastructure, leading to overflow into the Northern Wairoa River and surrounding areas. (Some tolerance to 'consents' is allowed for heavy weather events.)

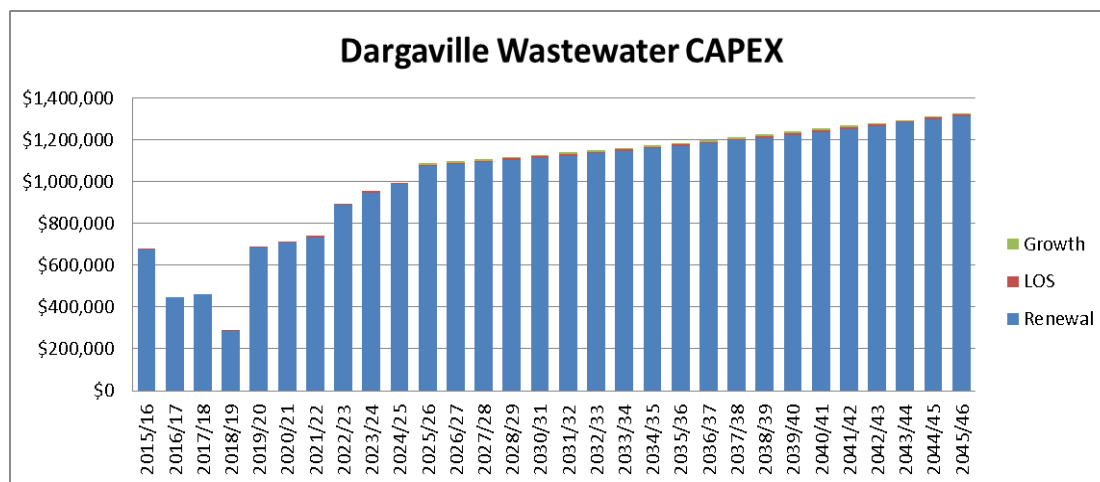
Programmed work: Undertake an assessment of the wastewater system.

### ***Implications***

Dargaville's wastewater system is funded by a targeted rate on Dargaville properties.

Operating expenditure for the years 2015 to 2045 is \$43.1 million.

Capital expenditure for the years 2015 to 2045 is as follows:



### Most Likely Scenario

#### Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

#### Impact on Rates in 2015/2016

The proposed impact on rates will be an increase of the targeted rate by \$4,400 (0%) in 2015/2016.

## Maungaturoto

### Issues

Maungaturoto is serviced by a single treatment plant constructed in 1992, comprising 11km of wastewater pipelines, 3 pump stations and 1.2km of rising main pipes that pump wastewater from pumping stations to the treatment plant.

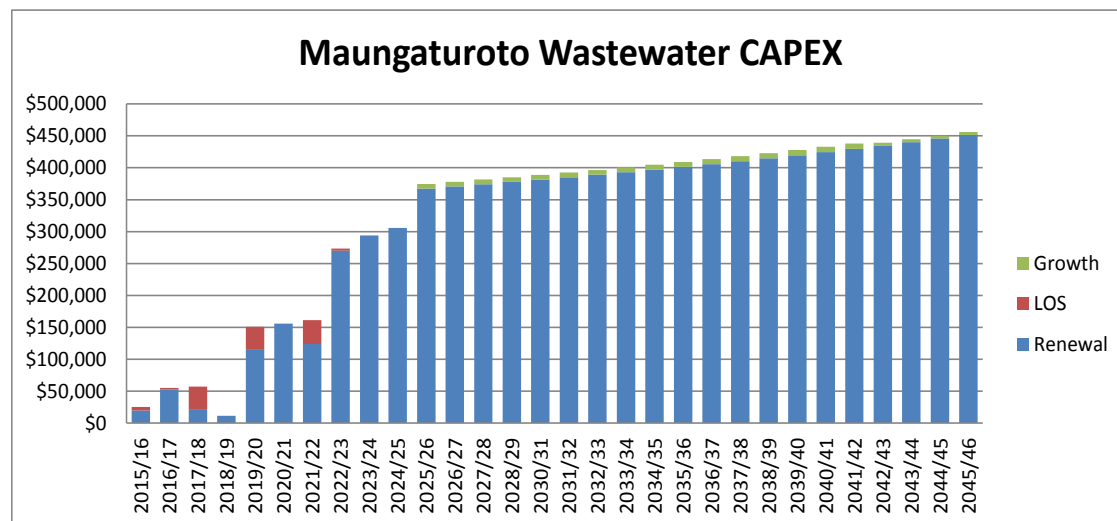
Maungaturoto's wastewater system is aging and there is a significant amount of deferred renewal work to be addressed.

### Implications

Maungaturoto's wastewater system is funded by a targeted rate on Maungaturoto properties.

Operating expenditure for the years 2015 to 2045 is \$14.0 million.

Capital expenditure for the years 2015 to 2045 is as follows:



## Most Likely Scenario

### *Option 1: Enhanced status quo*

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### **Impact on Rates in 2015/2016**

The proposed impact on rates will be a decrease of the targeted rate by \$67,500 (16%) in 2015/2016.

## ***Kaiwaka***

### *Issues*

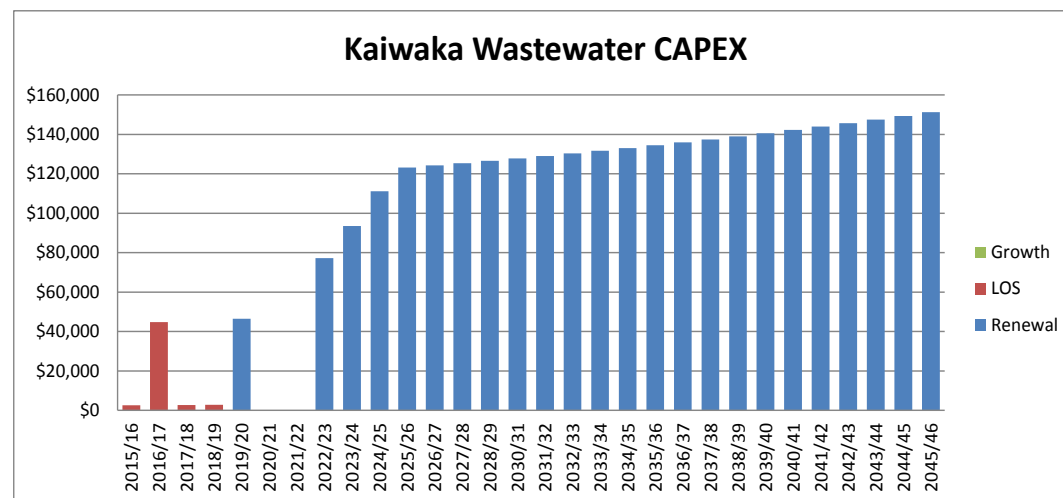
Kaiwaka wastewater system consists of 4km of gravity pipeline, 69 manholes, 1 pumping station and a single treatment plant. Kaiwaka's wastewater system is aging, and will need replacing in the future.

### *Implications*

Kaiwaka's wastewater system is funded by a targeted rate on Kaiwaka properties.

Operating expenditure for the years 2015 to 2045 is \$5.0 million.

Capital expenditure for the years 2015 to 2045 is as follows:



### Most Likely Scenario

#### *Option 1: Enhanced status quo*

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### Impact on Rates

The proposed impact on rates will be a decrease of the targeted rate by \$22,600 (12%) in 2015/2016.



## Mangawhai

### Issues

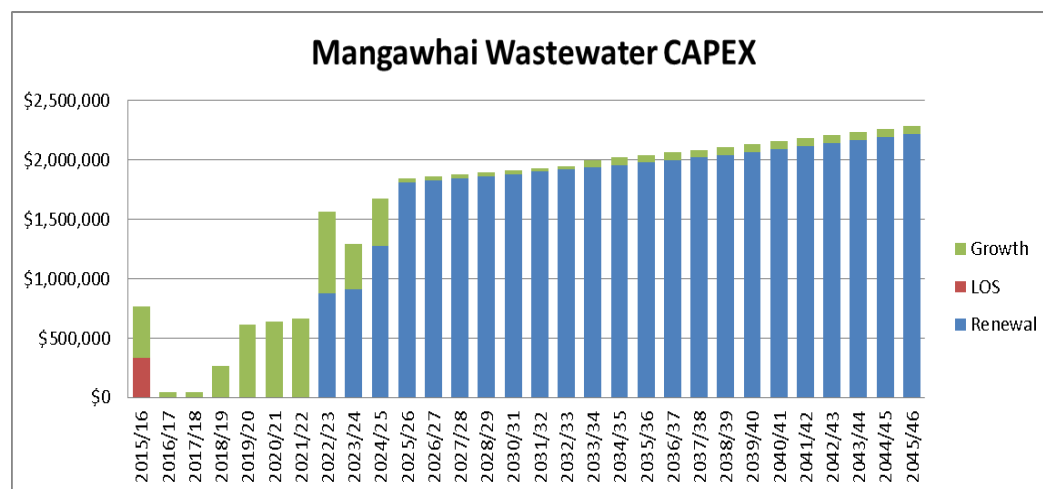
The MCWWS is a 'state of the art' collection, treatment and reuse system.

### Implications

Mangawhai's wastewater system is partly funded by a targeted rate on Mangawhai properties as well as being funded by the general rate on all Kaipara properties. The wastewater system and reticulation network is fairly new; there is no more than minor renewal work until the latter part of the next 10 years.

Operating expenditure for the years 2015 to 2045 is \$96.0 million.

Capital expenditure for the years 2015 to 2045 is as follows:



### Most Likely Scenario

The status quo (mostly operational expenditure) will suffice until the latter part of the next 10 years when increased capital expenditure is scheduled.

### Impact on Rates in 2015/2016

The proposed impact on rates will be an increase of the targeted rate by \$25,400 (1%) in 2015/2016.

## **11 Water Supply**

### **11.1 Overview**

Council operates community water supply schemes in the Dargaville (including Baylys), Glinks Gully, Ruawai, and Maungaturoto and Mangawhai communities, by collecting raw water, treating it and piping it to properties so households can connect to and use it. The purpose of the service is to help to protect public health, by providing readily accessible potable water to communities. In Dargaville, the water service is used by the local emergency Fire Service, helping them protect the community against fire incidents.

### **11.2 Assets, their Age, Condition and Maintenance**

The assets associated with the five water supply schemes in Kaipara include:

- 15 water source points;
- 4 water treatment plants;
- 7 pump stations;
- 17 storage facilities;
- 160 km of reticulated piping;
- 3,583 connections; and
- 3,763 points (fire hydrants, valves, meters).

The condition of these assets is mainly unknown. It is recognised that the current level of condition and performance data is not well-documented. The current asset register has errors and data cleansing is required. The knowledge of the condition of assets is varied and more knowledge on condition is also required. Most critical assets have been condition-assessed over the last two years but the pipe network remains to be done.

- We do not know the material of 40,000m of pipes;
- We do not know the size of 30,000m of pipes;
- 20,000m of pipes in Dargaville are over 50 years old;
- 19,000m of pipes in Maungaturoto are over 40 years old;
- All other schemes have pipes as old as 40 years but not at the quantity of the others; and
- The exception is Mangawhai where the pipe network is newer.

Two of the schemes do not meet Drinking-water Standards for New Zealand 2005 (Revised 2008) currently. They are Glinks Gully and Mangawhai. Given the cost to achieve this, and the very small numbers connected to these schemes, it is not planned to do this work in the next three years.

There is a storage dam built for the Dargaville water supply. It is not connected. The cost of connecting it to the Dargaville system is around \$2.8 million. There are no plans to build this connection in the short or medium term. The cost to Dargaville ratepayers would be unaffordable. This means that security of supply for Dargaville will require a different solution including demand management and conservation.

### **11.3 Risk and Hazard Management**

Climate change may bring with it lesser rainfall over summer, with increased rainfall at other times of the year. This may result in more severe security of supply issues in Dargaville, and perhaps for those homeowners and businesses who have their own rainwater collection systems.

Any raising of drinking water standards will be unaffordable for Kaipara. Current standards are already challenging.

The Northland District Health Board has submitted to Council that they would like to see Council increase the public water supply to more properties. Council has no plans to do this, and in fact is not increasing connections at the periphery of towns because of supply and demand issues.

### **11.4 Issues, Options and Implications**

Much of Council's water infrastructure is aging or aged, so the most significant expenditure over the next thirty years will be on renewal work to renew water systems. There is a backlog of renewal work to be done, mainly pipes, especially in Dargaville and Maungaturoto.

There is level of service related work currently underway, planned or to be investigated, to bring water treatment plants up to the standard needed to comply with Drinking-water Standards for New Zealand Drinking 2005 (Revised 2008). Most upgrades relate to increased monitoring of water quality. Some small schemes may become unaffordable.

As a result, projected costs are indicative and actuals may vary from those projected. The tendency of the main water source at Waiparataniwha Stream which supplies Dargaville and Baylys, is to dry up in droughts, making it hard to provide security of supply to these communities.

#### **Options**

##### ***Option 1: Enhanced status quo***

Institute an affordable renewals programme that:

- Meets consent conditions; and

- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

***Option 2: Consider affordable alternatives***

Institute a maintenance approach (without renewals) for three years that:

- Maintains performance at current services levels, while we investigate alternatives for funding and/or provision of service.

***Option 3: Review service delivery model***

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses the backlog of renewals required over time while we investigate alternatives for provision e.g. community management, industry management based on dominant user/s.

***Option 4: Self-supply (Dargaville only)***

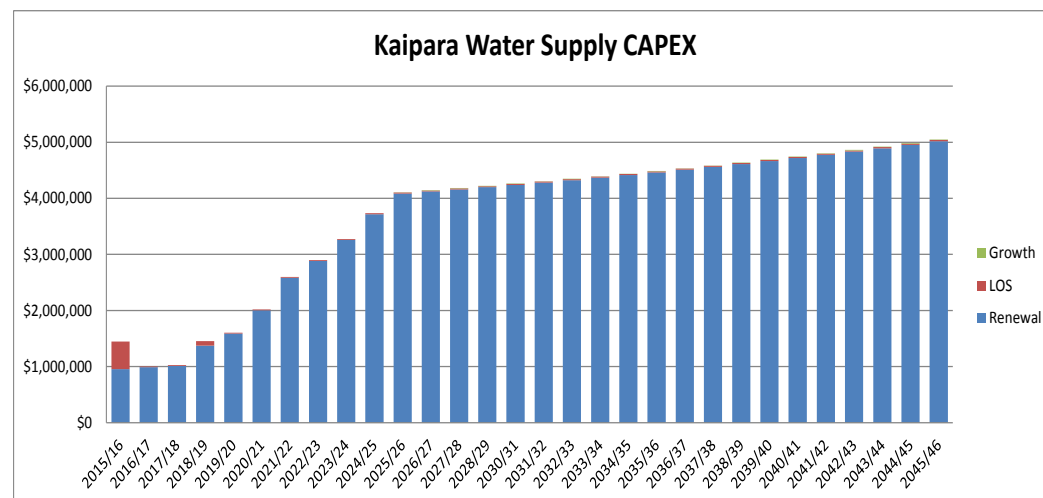
Prohibit new connections on the periphery of the water supply zone in favour of self-supply (e.g. roof tank) to preserve the existing infrastructure, increase water conservation education and use water pricing to lower usage.

***Option 5: Pipeline (Dargaville only)***

Construct a pipeline (estimated cost \$2.8 million) from Waiatua Dam (Opanake Road) to Dargaville to improve security of supply during moderate droughts.

Operating expenditure for the years 2015 to 2045 is projected to be \$57.4 million.

Capital expenditure for this period is projected to be \$110.5 million. Of this, \$109.2 million is for renewal work, \$1.1 million for work that improves the level of service, and \$0.1 million to accommodate growth as follows:



## Water Supply

### Infrastructure Strategy Costs Table

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>10 Year Annual Detail</b>										
Operating Expenditure	1,576	1,276	1,200	1,272	1,256	1,298	1,403	1,392	1,445	1,569
Capital Expenditure	1,568	989	1,006	1,426	1,576	1,985	2,560	2,860	3,239	3,698
<b>Total</b>	<b>3,143</b>	<b>2,265</b>	<b>2,206</b>	<b>2,698</b>	<b>2,832</b>	<b>3,283</b>	<b>3,963</b>	<b>4,252</b>	<b>4,683</b>	<b>5,267</b>
<b>5 Year Period Summaries</b>										
	2015-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	30 Year Total			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Operating Expenditure	6,580	7,107	8,597	9,995	11,621	13,511	57,410			
Capital Expenditure	6,564	14,342	20,688	21,704	22,885	24,268	110,450			
<b>Total</b>	<b>13,144</b>	<b>21,448</b>	<b>29,285</b>	<b>31,699</b>	<b>34,506</b>	<b>37,779</b>	<b>167,860</b>			

## Most Likely Scenario

The most likely option differs between schemes and will be discussed scheme by scheme in the section below.

There is one scheme for water supply situated in a small community with a declining population – Glinks Gully. The scheme is old and in need of asset renewal work, and the water plant will not produce water to Drinking-water Standard for New Zealand 2005 (Revised 2008) at the time it will be legally required. Under the current charging policy, the community would be charged targeted rates to pay for the needed renewals and upgrade. This would make the rates far higher than is seen as affordable for Glinks Gully. This plan allows for the further deferral of renewal works for a period of three years while Council works with the community to identify affordable and viable options for the future. The budget allows for a renewal programme to begin after these three years. This should not be taken as a decision that Council will continue (or stop) operating this scheme. The decision has yet to be made and will be made with the community involved.

There is a small water supply scheme serving a small number of private properties in Mangawhai Heads, the Wood Street shops and the Mangawhai Heads Camp Ground. The scheme is not providing water to the new standard of Drinking-water Standard for New Zealand 2005 (Revised 2008).

To upgrade the plant to this standard would make the scheme extremely expensive for those properties that are connected. As for the three schemes above, this plan allows for the further renewal works to be deferred for three years while Council works with the community to identify affordable and viable options for the future. The budget allows for a renewal programme to begin after these three years. This should not be taken as a decision that Council will continue (or stop) operating this scheme. The decision has yet to be made and will be made with the community involved.

## Impact on Rates

Water rates are not classified as property rates because they are based on volume, therefore set as an activity fee.

Operating costs (excluding interest and depreciation) for water supply are to be split evenly between individual networks based upon usage. The operating costs (excluding interest and depreciation) are then combined with the capital costs (including interest, funded depreciation and loan repayments) in each individual scheme to calculate the rate payable for those connected to each scheme. This reflects a move towards 'equalising' the rate payable for the service being received irrespective of location. This approach recognises the argument that the service being received by the end user is the 'same' irrespective of location and hence the costs should be similar.

Revenue from water rates is proposed to increase by \$299,100 (13%) in 2015/2016, however, the increase is almost entirely met by Dargaville. Renewal expenditure progressively increases from 2019 to plateau in 2025.

## 12 Impact by Scheme

### Glinks Gully

#### Issues

Council supplies water to 80 properties in Glinks Gully. Maintaining an aging system for a small number of users means high costs.

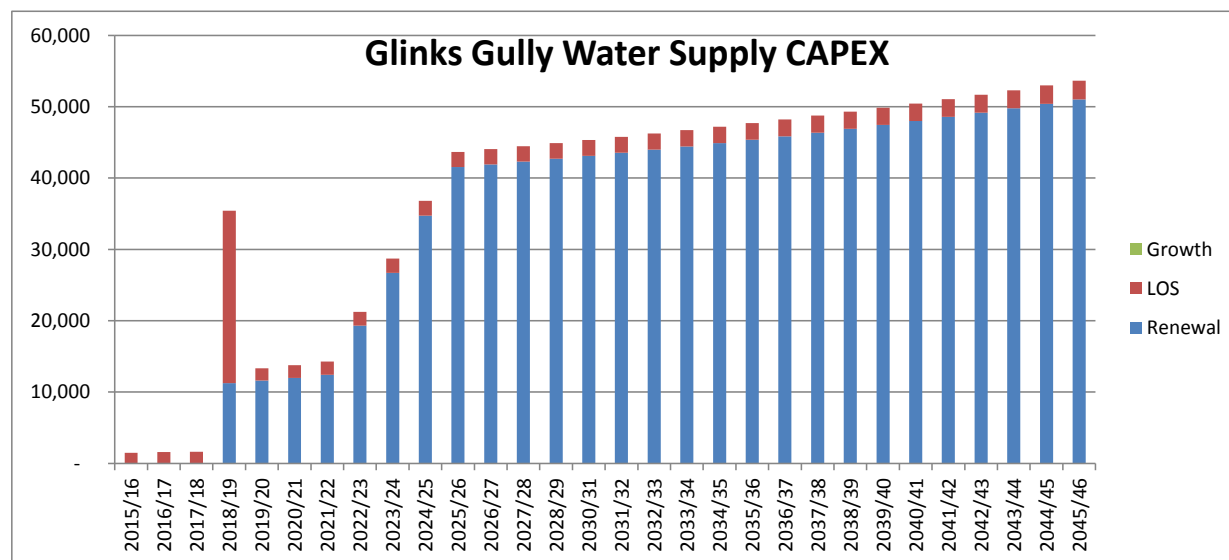
Glinks Gully's water supply does not comply with Drinking-water Standards for New Zealand 2005 (Revised 2008). The cost to upgrade the water supply to meet these new high standards, which require increased treatment and monitoring of water quality, is currently unknown. This scheme may fail to meet the Drinking-water Standard for New Zealand 2005 (Revised 2008) in the next three years but it will continue to comply with its 'Take Consent'.

#### Implications

Glinks Gully's water system is **partly** funded by a targeted rate on Glinks Gully properties.

Operating expenditure for the years 2015 to 2045 is \$1.4 million.

Capital expenditure for the years 2015 to 2045 is as follows:



## **Most Likely Scenario**

### ***Option 2: Consider affordable alternatives***

Institute a maintenance approach (without renewals) for three years that:

- Maintains performance at current services levels, while we investigate alternatives for funding and/or provision of service.

### **Impact on Rates in 2015/2016**

The proposed impact on rates will be a decrease of the revenue from water charged of \$1,400 (5%) in 2015/2016.

The proposed impact on rates for the next three years will be negligible whilst alternatives for funding and/or provision of service are investigated.

The proposed impact on rates if the renewal programme was fully funded would be, we believe, unaffordable to the community e.g. \$12,000 in year 2019/2020 across 85 connections.

## ***Dargaville***

### ***Issues***

The water supply for Dargaville is used by both Dargaville and Baylys communities. It services about 4,683 people and there are 2,782 connections to the system (most use water treated by the system, but there are some connections to the raw water lines).

There are several issues with Dargaville's drinking water. There is a significant amount of deferred renewal work to be addressed and the tendency of the main water source at Waiparataniwha Stream to dry up in droughts make it hard to provide security of supply.

### ***Additional Options***

#### ***Option 4: Self-supply***

Prohibit new connections on the periphery of the water supply zone in favour of self-supply (e.g. roof tank) to preserve the existing infrastructure, increase water conservation education and use water pricing to lower usage.

#### ***Option 5: Pipeline***

Construct a pipeline (estimated cost \$2,800,000) from Waialua Dam (Opanake Road) to Dargaville to improve security of supply during moderate droughts.

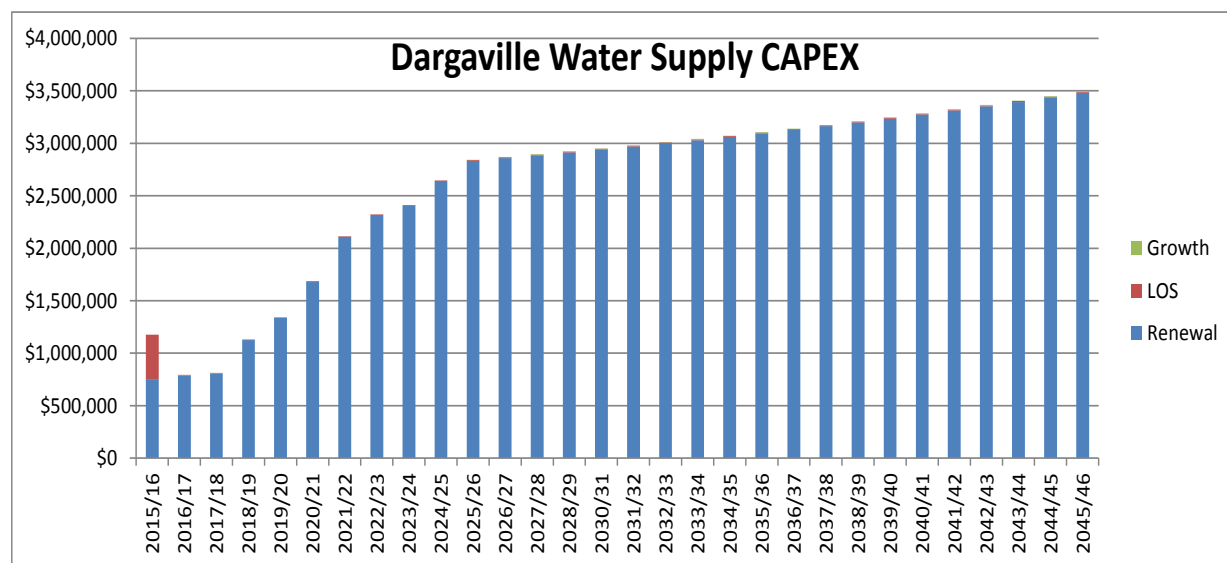


### Implications

Dargaville's water system is funded by a targeted rate on Dargaville properties. The declining population and changing demographic makes a full upgrade and replacement uneconomic and unaffordable under the current funding model.

Operating expenditure for the years 2015 to 2045 is \$34.2 million.

Capital expenditure for the years 2015 to 2045 is as follows:



### Most Likely Scenario

#### Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

***Option 4: Self-supply (additional)***

Prohibit new connections on the periphery of the water supply zone in favour of self-supply (e.g. roof tank) to preserve the existing infrastructure, increase water conservation education and use water pricing to lower usage.

**Impact on Rates**

The proposed impact on rates will be an increase of the revenue from water charged of \$380,300 (22%) in 2015/2016.

One of the larger level of service projects requires the water take, pumps, telemetry and reticulation to be upgraded, a Magflow meter installed and a Resource Consent obtained for the taking of water.

**Ruawai**

*Issues*

The Ruawai Water Supply system has 251 connections and services approximately 500 people. Much of Ruawai's water supply infrastructure is aged and needs renewing. Ruawai's relatively small and likely declining population, will make affordability challenging.

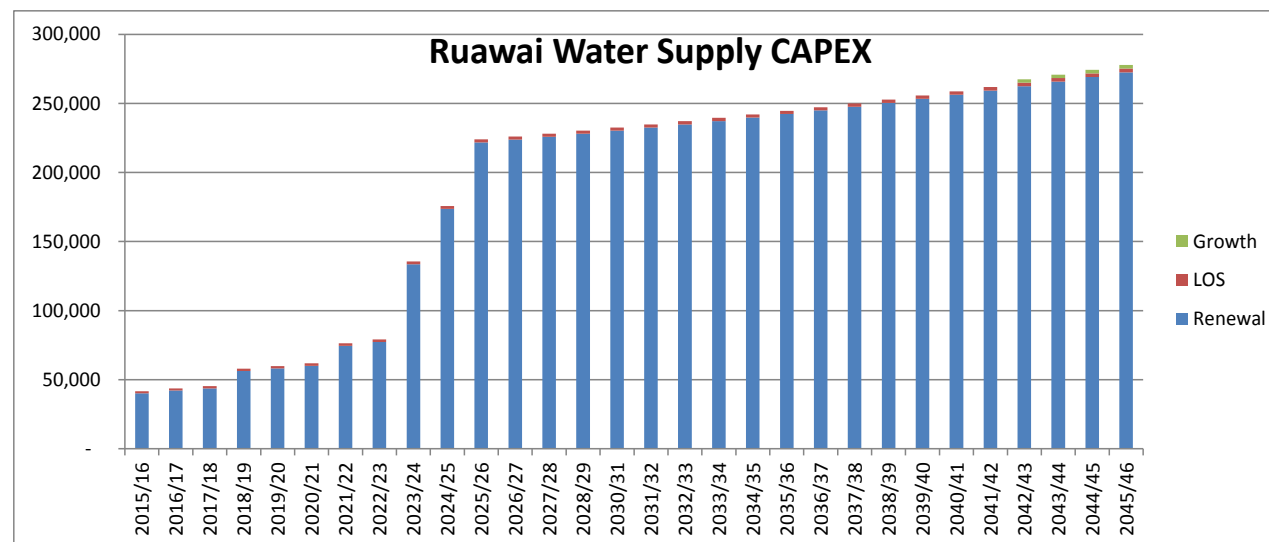
*Implications*

Ruawai's water system is funded by a targeted rate on Ruawai properties.

To maintain Ruawai's water supply, capital expenditure for the next 30 years is projected to be \$5.7 million of which \$5.6 million is renewal.

Operating expenditure for the years 2015 to 2045 is \$7.1 million.

Capital expenditure for the years 2015 to 2045 is as follows:



## Most Likely Scenario

### Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses any backlog of renewals required over time refining the renewals programme.

Once the condition of the assets is known:

- Preliminary conditions assessments completed by 2018; and
- Detailed assessments with preferred approach by 2021.

### Impact on Rates

The proposed impact on rates will be a decrease of the revenue from water charged of \$7,600 (6%) in 2015/2016.

## Maungaturoto

### Issues

The Maungaturoto water supply services approximately 895 people. There are in total 447 connections; 410 from the Township and 37 from the Railway Village.

The age of the infrastructure, a backlog of deferred renewals and affordability are the key issues.

### Programmed Work

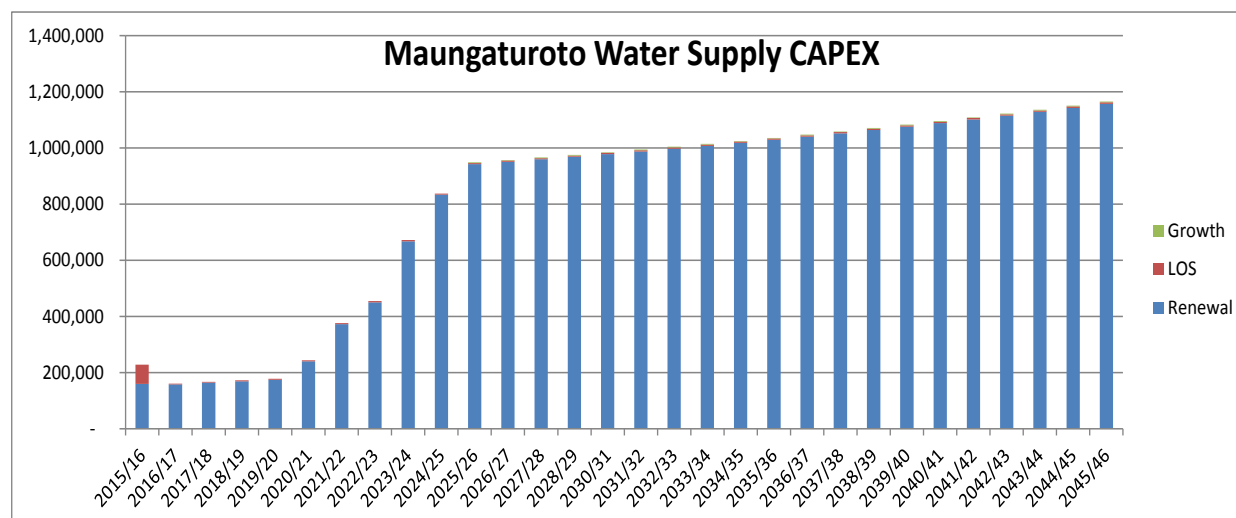
Maungaturoto's water supply does not comply with the Drinking-water Standards for New Zealand 2005 (Revised 2008), which requires increased treatment and monitoring of water quality. Operational adjustments and installation of a supervisory control and data acquisition (SCADA) system to bring the plant up to standard is planned for 2014/2015 at a cost of \$50,000.

### Implications

Maungaturoto's water system is funded by a targeted rate and a volumetric charge on Maungaturoto properties. Fonterra uses 60% of the water consumed.

Operating expenditure for the years 2015 to 2045 is \$12.2 million.

Capital expenditure for the years 2015 to 2045 is as follows:



## Most Likely Scenario

### *Option 3: Review service delivery model*

Institute an affordable renewals programme that:

- Meets consent conditions; and
- Addresses the backlog of renewals required over time while we investigate alternatives for provision e.g. community management, industry management based on dominant user/s.

## Impact on Rates

The proposed impact on rates will be a decrease of the revenue from water charged of \$58,000 (12%) in 2015/2016.

Fonterra is charged \$485,000 (excluding GST) for water supplied from Maungaturoto's water scheme. The water supply plant will be upgraded to meet Drinking-water Standards for New Zealand 2005 (Revised 2008). From 2021, the budget progressively increases to begin seriously addressing the renewal requirement.

## ***Mangawhai***

### *Issues*

Mangawhai has a small water scheme with only 18 connections. The scheme primarily provides potable water to Mangawhai Camp Ground, Wood Street shops and community housing. Maintaining water services for a small number of users means high costs, with relatively little benefit for the wider community.

Mangawhai's water supply does not comply with the Drinking-water Standards for New Zealand 2005 (Revised 2008). The cost to upgrade the water supply to meet these new high standards, which require increased treatment and monitoring of water quality, is currently unknown.

### *Programmed Works*

A provisional sum of \$30,000 is provided in 2014/2015 Capital Works Programme to identify what work is required to bring the system to compliance with Drinking-water Standards for New Zealand 2005 (revised 2008).

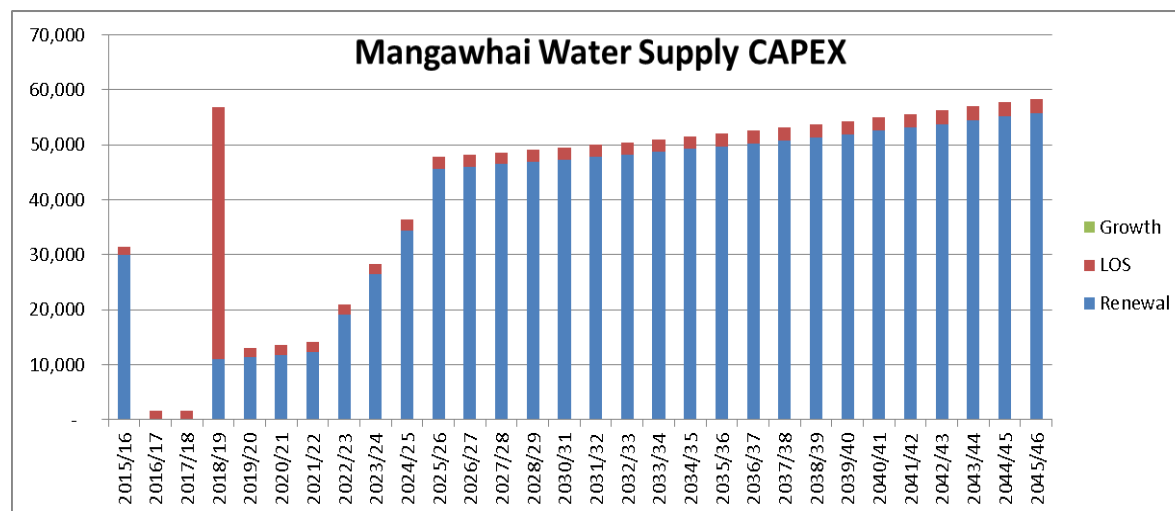
### *Implications*

Mangawhai's water system is funded by a targeted rate on Mangawhai properties.

Maintaining and renewing the water service has cost implications, however reducing services would mean current users would need to secure alternate water sources.

Operating expenditure for the years 2015 to 2045 is \$2.4 million.

Capital expenditure for the years 2015 to 2045 is as follows:



## Most Likely Scenario

### Option 2: Consider affordable alternatives

Institute a maintenance approach (without renewals) for three years that:

- Maintains performance at current services levels, while we investigate alternatives for funding and/or provision of service.

### Impact on Rates

The proposed impact on rates will be a decrease of the revenue from water charged of \$14,700 (44%) in 2015/2016.

The proposed impact on rates for the next three years will be negligible whilst alternatives for funding and/or provision of service are investigated.

The proposed impact on rates if the renewal programme was fully funded would be, we believe, unaffordable to the community e.g. \$12,000 in year 2019/2020 across 17 connections.

Year 2018/2019 included budget for an upgrade at the plant to New Zealand Drinking Water Standards.

## **13 Technology and Trends for Infrastructure**

Outlined below are some possible technological advances and trends which could affect the management of Kaipara's infrastructure over the next 30 years:

### **13.1 Roding**

#### **Technology**

- Improved construction materials;
- Engineering design improvements and changes;
- Technology that changes work patterns, assists in longer life of assets, and reduces renewal programmes;
- Three- and four-dimensional design systems introducing new ways of designing roads;
- Intelligent transport systems (ITS) in which information, data processing, communication, and sensor technologies are applied to transport infrastructure, vehicles and users (so they can sense each other and communicate); and
- Development technology to use roadways to generate energy - for example roads acting as solar panels.

#### **Trends**

- Movement towards regional management of roading networks in New Zealand;
- Focus on economic benefits of roading networks;
- Focus on infrastructure resilience - particularly in dealing with natural disasters and weather events;
- New funding models including user pays systems to fund uptake of new technology and road improvements;
- Design and planning to adapt to changing conditions, including climate change;
- Public interest in the environmental impact of road use; and
- Greater use of public transport where available, or integrated transport solutions e.g. road and rail.

### **13.2 Water**

#### **Technology**

- Technological improvements in treating raw water;
- Improved technology in water monitoring;

- Improved technology for conserving, purifying, recycling, reclaiming and desalinating water; and
- Improved technology in stand-alone (private) systems.

### **Trends**

- Higher standards for drinking water quality and monitoring (as part of national drinking water standards);
- Water conservation becoming more of a focus, and water being used more efficiently;
- Recycling and reuse of water;
- Rainwater harvesting;
- Water becoming more regulated; and
- Increased interest in stand-alone private water systems and storage.

## **13.3 Wastewater**

### **Technology**

- Improvements to membrane filtration resulting in very high quality wastewater treatment;
- Improved technology and techniques in pipeline rehabilitation;
- Low pressure wastewater systems which eliminate the need for deep pipe systems; and
- Improved technology in self-contained private wastewater systems (e.g. composting toilets).

### **Trends**

- Membrane filtration and other treatment technology becoming more affordable;
- Higher environmental standards for discharge from wastewater systems into waterways; and
- Increased interest and affordability in stand-alone private wastewater systems and storage.

## **13.4 Stormwater**

### **Technology**

- Low Impact Design Stormwater management – mimicking the natural environment and reducing the impact of stormwater run-off and discharge on the environment;



- Stream restoration and riparian planting replacing standard, lined stormwater channels; and
- Treatment train systems which use of two or more treatment methods, such as ground soakage and riparian planting, to improve discharge quality.

### **Trends**

- Focus on working with the natural environment to provide effective stormwater systems, and to lessen environmental impacts;
- Rising environmental standards for discharge into waterways; and
- Increased interest in private, self-sufficient stormwater systems.

## **13.5 Flood Protection**

### **Technology**

- Temporary or semi-permanent flood resilience technology that can be used in extreme conditions - including barriers, protection walls and flood products;
- Smart technology systems - in which information, data processing, communication, and sensor technologies are applied to flood protection and water level monitoring;
- Changes in engineering and design of flood protection systems e.g. three- and four- dimensional design systems; and
- Flood protection systems that focus on working on the natural environment.

### **Trends**

- Climate change predicted to increase the risk, magnitude and frequency of extreme weather events;
- Increasing interest in the role of flood protection to support primary industries and communities;
- Holistic approach to flood risk management - adaptable and flexible systems; and
- New approaches towards 'living with' flooding rather than 'defending from' flooding, for example by making more space for water or enhancing the resilience of buildings and environments.

## **The Nature of the Prospective Financial Information – Cautionary Note**

The prospective financial information contained in the Long Term Plan 2015/2025 is a forecast, and has been prepared on the basis of assumptions as to future events that Council reasonably expects to occur, associated with the actions it reasonably expects to take as at the date the forecast was prepared. The forecast relates to events and actions which have not yet occurred and may not occur. The actual results achieved for the period covered are likely to vary from the financial information presented and the variations may be material. The uncertainty increases as the number of years of prospective financial information increases. Uncontrollable external events will significantly affect the forecast.

The Forecast Statement of Financial Position has been reviewed to incorporate the Balance Sheet for the year ending 30 June 2014 and the movements per the 30 June 2015 Annual Plan. This has been adjusted for any material events during the current financial year.

A number of assumptions need to be made about the economic and financial conditions, which will apply over the lifetime of the model. The major assumptions underpinning the Plan are set out in the Significant Assumptions Section of the Long Term Plan 2015/2025. Assumptions are susceptible to variations. Council would respond to any significant unfavourable variations by deferring projects and/or reducing levels of service and/or increasing rates and/or increasing borrowings.

The financial information contained within the Long Term Plan 2015/2025 may not be appropriate for any purpose other than those described.



A photograph of three cyclists standing on a grassy bank next to a calm lake at sunset. The cyclists are silhouetted against the bright, orange and yellow sky. The sun is low on the horizon, creating a strong reflection on the water. The sky is filled with wispy clouds that catch the low light. The cyclists are wearing helmets and casual riding gear. The overall mood is peaceful and scenic.

# **Groups of Activities Statements**



## **Groups of Activity Statements**

### **Community Activities**

#### **Halls and Community Housing**

#### **Reserves and Open Spaces**

#### **Community Assistance**

#### **Libraries**

#### **What We Want To See**

- Well planned, developed and implemented Community Activities that maintain, enhance and protect existing services which can be built on for future needs and requirements.

#### **Why We Do It**

- To promote and advance community well-being (social, environmental, and cultural) throughout the Kaipara District and to have an open space network that provides community and recreational opportunities, cultural, landscape and ecological protection and enhancement.

### **Halls and Community Housing**

#### **Activity Description - *What We Do***

##### **Community Halls**

- Council owns and manages one hall; the Northern Wairoa War Memorial Hall (NWWMH) (also called the 'Dargaville Town Hall') in Dargaville; and
- Council assists handed-back halls that are now community-owned and operated throughout the District.

**Community Housing**

- Council owns and manages the tenancy of three Community Housing villages. Community Housing is targeted for people over the age of 55 who meet certain criteria, including the capability of living independently.

**The Level of Service****Community Halls**

- Publicly available hall in every urban settlement with a resident population exceeding 1,000.

**Community Housing**

- Minimum compliance with the Memorandum of Understanding (MoU) with Housing New Zealand for the management (not necessarily by Council) of Dargaville, Ruawai and Mangawhai Community Housing.

**Service Level Issues**

- The Dargaville Community Foundation has requested that Council transfers management of the Ruawai and Dargaville Community Housing villages to them. The Council has agreed in principle to this transfer. We are currently in a due diligence period;
- Council agreed to pay the insurance on halls transferred to community groups from Council ownership and management under the Halls Policy. The owners of other halls that have never been Council halls are now requesting similar support;
- There are far more halls in the District than the minimum service level; and
- The Northern Wairoa War Memorial Hall has issues with leaking and consequential deterioration. This problem will need to be addressed in 2015/2016.

**Service Level Risks**

- The Municipal Building used as part of the adjacent and joined Northern Wairoa War Memorial Hall needs earthquake strengthening.

**Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- Community halls provide neutral spaces that are open to all in the community, giving opportunities for communities to gather and individuals to join in.

## **Funding Source and Rationale**

### ***Funding:***

- General rates, Uniform Annual General Charges; and
- Rental income

### ***Rationale:***

- A mainly public good activity.

## **Reserves and Open Space**

### **Activity Description - *What We Do***

- Council owns and manages around 165 parks and reserves throughout the District. Within the Council-owned parks and reserves Council operates five cemeteries, of which four are active;
- Council provides 29 public toilets within civic areas and reserves across the District; and
- Camp grounds are included in the Parks and Reserves portfolio.

## **The Level of Service**

### **Provision**

- An active sports park within a 40 minute drive of all residents (not all belonging to Council) with toilet and changing facilities;
- Coastal access and esplanade reserves in urban areas already developed or zoned for residential development in the District Plan, with car parking areas;
- A local purpose reserve within a 15 minute walk of residents in urban areas already developed or zoned for residential development in the District Plan; and
- A public toilet in shopping areas servicing an urban population over 2,000.

### **Maintenance levels**

- Opportunities for community organisations to lease reserve land under the Community Assistance Policy and develop and manage community facilities where consistent with any Reserve Management Plan;



- Compliance with health regulations for public toilets; and
- Maintenance levels set according to the category of reserve.

### **Service Level Issues**

- Council is very well supplied with nature reserves, often in locations where use is low;
- Council relies on community-owned and/or managed sports parks. The only Council-owned and managed sports park is Memorial Park in Dargaville;
- Maintenance levels are very low. It is planned that maintenance is improved in three key parks over the 10 years of the Plan – Mangawhai Community Park, Harding Park/Pou Tu o Te Rangi and Taharoa Domain;
- Council collects Reserve Contributions for the development of parks and open space, from new property development. The growth in the number of new properties means that this is now a significant amount, allowing Council to invest in more park development; and
- In the past money collected from this source has not been spent. This has resulted in a build-up of reserves that, as we spend them, has to be funded by borrowing. We aim to use this build-up of reserves over the 10 years of this Plan.

### **Service Level Risk**

- Community volunteers play a big role in the care and development of our parks and reserves. The new Health and Safety Bill, when enacted, may add additional cost to services undertaken by volunteers and will impact on the volume of work volunteers will undertake;
- If Council cannot spend Reserve Contributions as collected, there is a small risk that those who have paid them challenge Council to refund their contribution; and
- Any expenditure of Reserve Contributions will increase debt levels.

### **Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- Reserves and Open Space are provided so that people can join in recreational activities and enjoy nature.

## Funding Source and Rationale

### ***Funding:***

- General rates, Uniform Annual General Charges;
- Reserve Contributions collected under the District Plan; and
- Consistent with our Reserve Contribution Policy (use of) we intend to spend the contributions collected from the previous year on the following years capital works projects. This spend will be undertaken according to a 60:40 split. 40% will be spent on reserves of district-wide significance – Mangawhai Community Park, Harding Park/Pou Tu o Te Rangi and Taharoa Domain. 60% will be spent local to the area from where they were collected.

### ***Rationale:***

- A mainly public good activity with impacts from growth funded by developers' Financial Contributions.

## Community Assistance

### **Activity Description - *What We Do***

- Implementing the Community Assistance Policy including Grants, Contract for Service, Licence to Occupy and the Mangawhai Endowment Lands Account (MELA).

### **The Level of Service**

As this activity is discretionary for Council, the Minimum Service Level is:

- Implementation of the Community Assistance Policy.

### **Service Level Issues**

- There are always far more applications for grants than the funds available; and
- The Council's criteria for support excludes welfare and social services. However, Council still receives applications from these groups even when in previous years they have been rejected as not complying.

**Service Level Risk**

- The community becomes dissatisfied with the small grant fund, the continued rejection of applications due to lack of funds, and lobbies Council outside of the grant system to get funds; and
- Transparency and having an equal playing field is lost, and favoritism of groups who know how to work the 'system' returns.

**Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- Having the ability to assist community groups encourages people to volunteer and join in.

**Funding Source and Rationale*****Funding:***

- General rates, Uniform Annual General Charges.

***Rationale:***

- A mainly public good activity.

**Contracts for Service and Capital Grants**

Council received 16 applications for a total value of \$328,387 for the 2015/2016 year. Council also received 8 applications for Capital Grants totalling \$46,026 for the 2015/2016 year. There is \$80,000 available for Capital Grants, new Contracts for Service and Operational Grants for 2015/2016. The amount approved from applications totals \$68,082 from this budget.

Council has also agreed in principle to pay for the insurance of community halls that were handed back from Council to the community. Last year this was approximately \$19,290. This is also paid for out of the Grants budget.

Council has agreed to fund:

<b>Contracts for Service</b>	<b>Amount</b>
Baylys Beach Society	\$1,000 per year for three years
Pahi Reserves Society	\$7,000 per year for three years
Dargaville Gardens Trust	\$12,000 per year for three years
Paparoa Community Library	\$4,921 per year for three years, plus the cost of rent of their premises (approximately \$6,402 per year)
Ruawai Community Library	\$780 for one year
Kaiwaka Library	\$4,000 per year for three years
Mangawhai Library	\$13,725 per year for three years
Maungaturoto Public Library Inc.	\$6,020 per year, plus electricity, water and rent costs (approximately \$6,278 per year)
Kauri Coast Community Pool Trust	\$250,000 per year for three years
Sport Northland	\$26,000 per year for three years
Maungaturoto Residents Association	\$3,500 per year for three years
<b>Capital Grants</b>	<b>Amount</b>
Maungaturoto Centennial Community Centre Society Inc.	\$2,907 towards blackout curtains
Kaiwaka War Memorial Hall Association Inc	\$4,411 towards new carpet
Mangawhai Library Hall	\$818 towards fencing materials

## **Libraries**

### **Activity Description - *What We Do***

- Council has one library situated in Dargaville supplying services of:
  - Book and magazine lending
  - Some e-books and e-resources
  - Music
  - Computer and internet access
  - Events and holiday programmes
  - Literacy initiatives;
- Assistance is given to volunteer community libraries; this is documented under the Community Assistance Programme (Contract for Service) in the Community Planning sub-activity;
- Five community libraries at: Ruawai, Paparoa, Maungaturoto, Kaiwaka and Mangawhai; and
- All libraries share a catalogue and all but Ruawai share a computer system.

### **The Level of Service**

The provision of libraries is a core activity. A minimum service level recommended is:

- Access to a professional library service within a reasonable drive; and
- Continued support for community libraries at current funding levels.

### **Service Level Issues**

- The only Council-provided library is in Dargaville. This means there is uneven service levels across the District;
- Other areas are services by small volunteer-run community libraries. A fair number of property owners in Mangawhai have properties in the Auckland Council area and can use Auckland Council libraries; and
- Both Auckland Council and Whangarei District Council allow out-of-district members at a fee.

**Service Level Risk**

- Risk around community backlash if any service levels are reduced e.g. events.

**Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- The bulk of library services in the District are run by volunteers. This provides an opportunity for individuals to join in.

**Funding Source and Rationale*****Funding:***

- General rates, Uniform Annual General Charges; and
- Fees and Charges.

***Rationale:***

- A mainly public good activity.

## Community Activities - Improvement Programme 2015/2025

<b>Halls and Community Housing</b>	
<b>Year 1</b> <b>Planned improvement/change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>• Considering options for development of Mangawhai Community Housing surplus land.</li> <li>• Consider contracting out management of social housing.</li> </ul>
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>• Implement the asset renewal programme.</li> <li>• Implement the asset maintenance programme.</li> </ul>
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• Implement the asset renewal programme.</li> <li>• Implement the asset maintenance programme.</li> <li>• Undertake asset condition survey and revise asset renewal programme.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• Implement the asset renewal programme.</li> <li>• Implement the asset maintenance programme.</li> <li>• Undertake asset condition survey and revise asset renewal programme.</li> </ul>

<b>Reserves and Open Spaces</b>	
<b>Year 1</b> <b>Planned improvement/change</b> <b>2015/2016</b>	<p><b>Annual/Long Term Plan</b></p> <ul style="list-style-type: none"> <li>• Complete an Asset Management Plan for reserves.</li> <li>• Develop Reserve Management Plans as per programme of works.</li> <li>• Deliver capital projects with reserve contributions, and develop and implement programme of works.</li> <li>• Capture asset information relating to reserves and open space.</li> <li>• Develop a Street Tree Policy.</li> </ul> <p><b>Operational Plan</b></p> <ul style="list-style-type: none"> <li>• Implement the Public Toilet Strategy and upgrade programme.</li> <li>• Implement the operational delivery model developed for Taharoa Domain (Kai Iwi Lakes).</li> <li>• Progress the projects identified in the Reserve Management Plans for Mangawhai Community Park, Harding Park/Pou Tu o Te Rangi, and Taharoa Domain.</li> </ul>
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<p><b>Annual/Long Term Plan</b></p> <ul style="list-style-type: none"> <li>• Deliver capital projects with reserve contributions, and develop and implement programme of works</li> <li>• Develop Reserve Management Plans as per programme of works.</li> </ul> <p><b>Operational Plan</b></p> <ul style="list-style-type: none"> <li>• Implement the Reserves and Open Space Asset Management Plan Improvement Plan.</li> <li>• Implement the Public Toilet Strategy and upgrade programme.</li> <li>• Implement the Street Tree Policy.</li> <li>• Progress the projects identified in the Reserve Management Plans for Mangawhai Community Park, Harding Park/Pou Tu o Te Rangi, and Taharoa Domain.</li> <li>• Progress projects identified in other Reserve Management Plans e.g. Mangawhai Coastal and Harbour, Memorial Park (Dargaville).</li> </ul>



<b>Reserves and Open Spaces</b>	
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<p><b>Annual/Long Term Plan</b></p> <ul style="list-style-type: none"> <li>• Deliver capital projects with reserve contributions, and develop and implement programme of works.</li> <li>• Develop a Streetscape Policy for town centres and main roads.</li> <li>• Develop a walkway strategy.</li> </ul> <p><b>Operational Plan</b></p> <ul style="list-style-type: none"> <li>• Implement the Reserves and Open Space Asset Management Plan Improvement Plan.</li> <li>• Progress the projects identified in the Reserve Management Plans for Mangawhai Community Park, Harding Park/Pou Tu o Te Rangi, and Taharoa Domain</li> <li>• Progress projects identified in other Reserve Management Plans e.g. Mangawhai Coastal and Harbour, Memorial Park (Dargaville).</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	<p><b>Annual/Long Term Plan</b></p> <ul style="list-style-type: none"> <li>• Review the Reserves and Open Space Asset Management Plan.</li> </ul> <p><b>Operational Plan</b></p> <ul style="list-style-type: none"> <li>• Progress the projects identified in the Reserve Management Plans.</li> <li>• Deliver projects identified in the reserve contributions and develop project programme of works.</li> </ul>

<b>Community Assistance</b>	
<b>Year 1</b> <b>Planned improvement/change</b> <b>2015/2016</b>	Change to administration and use of Mangawhai Endowment Lands Account (MELA) is proposed.
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	No change proposed.

<b>Community Assistance</b>	
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	No change proposed.
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	No change proposed.

<b>Libraries</b>	
<b>Year 1</b> <b>Planned improvement/change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>• Complete an Asset Management Plan for the Library.</li> <li>• Review the current delivery model of operating library services across the District between the Dargaville Library and Community Libraries.</li> <li>• Investigate options to effectively manage a district-wide collection between libraries.</li> </ul>
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>• Implement the Improvement Plan identified in the Library Asset Management Plan.</li> <li>• Investigate additional community engagement programmes.</li> </ul>
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• Implement the Improvement Plan identified in the Library Asset Management Plan.</li> <li>• Implement community engagement programmes.</li> <li>• Migrate all libraries to new Library Management System.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• Implement the Improvement Plan identified in the Library Asset Management Plan.</li> <li>• Implement community engagement programmes.</li> <li>• Migrate all libraries to new Library Management System.</li> </ul>

## Community Activities - Funding Impact Statement - Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	2,914	3,373	3,342	3,414	3,440	3,557	3,690	3,834	3,858	3,996	4,145
Targeted rates (other than a targeted rate for water supply)	282	282	282	282	282	282	283	283	283	283	283
Subsidies and grants for operating purposes	0	50	51	52	52	53	54	55	57	58	59
Fees, charges and targeted rates for water supply	1,046	1,139	1,167	1,197	1,228	1,264	1,301	1,341	1,384	1,431	1,481
Internal charges and overheads recovered	190	337	339	350	360	371	383	395	408	422	437
Local authorities fuel tax, fines, infringement fees and other receipts	5	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>4,437</b>	<b>5,181</b>	<b>5,181</b>	<b>5,295</b>	<b>5,362</b>	<b>5,527</b>	<b>5,711</b>	<b>5,908</b>	<b>5,990</b>	<b>6,190</b>	<b>6,405</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	3,422	3,881	3,924	4,009	4,099	4,198	4,303	4,415	4,538	4,669	4,809
Finance Costs	152	75	68	61	57	55	61	77	94	105	117
Internal charges and overheads applied	488	850	857	883	909	937	968	998	1,031	1,066	1,104
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>4,062</b>	<b>4,806</b>	<b>4,849</b>	<b>4,953</b>	<b>5,065</b>	<b>5,190</b>	<b>5,332</b>	<b>5,490</b>	<b>5,663</b>	<b>5,840</b>	<b>6,030</b>
<b>Surplus (deficit) of operating funding</b>	<b>375</b>	<b>375</b>	<b>332</b>	<b>342</b>	<b>297</b>	<b>337</b>	<b>379</b>	<b>418</b>	<b>327</b>	<b>350</b>	<b>375</b>

## Community Activities - Funding Impact Statement - Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	511	500	512	525	538	554	570	587	605	625	647
Increase (decrease) in debt	492	-933	-106	-103	-42	109	276	306	216	211	208
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,003</b>	<b>-433</b>	<b>406</b>	<b>422</b>	<b>496</b>	<b>663</b>	<b>846</b>	<b>893</b>	<b>821</b>	<b>836</b>	<b>855</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to improve the level of service	1,123	846	477	489	610	795	933	1,080	1,116	1,153	1,195
Capital Expenditure											
- to replace existing assets	255	340	218	223	230	242	318	369	375	350	408
Increase (decrease) in reserves	0	-1,244	43	52	-47	-37	-26	-138	-343	-317	-373
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>1,378</b>	<b>-58</b>	<b>738</b>	<b>764</b>	<b>793</b>	<b>1,000</b>	<b>1,225</b>	<b>1,311</b>	<b>1,148</b>	<b>1,186</b>	<b>1,230</b>
<b>Surplus (deficit) of capital funding</b>	<b>-375</b>	<b>-375</b>	<b>-332</b>	<b>-342</b>	<b>-297</b>	<b>-337</b>	<b>-379</b>	<b>-418</b>	<b>-327</b>	<b>-350</b>	<b>-375</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Community Activities - Capital Expenditure Programme

For the period commencing:	Annual Plan	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018
	\$'000	\$'000	\$'000	\$'000
<b>Campgrounds</b>				
Replacement of northern ablution block - Mangawhai Camp	159			
Kai Iwi facilities		200	153	157
Mangawhai Holiday Park Renewal of northern ablution block	155			
<b>Halls</b>				
High window mechanical/electrical operating system - Northern Wairoa War Memorial Hall	11			
Dargaville Building renewal and earthquake stabilisation		50	51	52
<b>Libraries</b>				
Library collection purchases	60	62	64	65
<b>Public Toilets</b>				
New toilet (x1)	61	60	122	127
Public toilet and park surround renewal	131			
Public toilet and park surround renewal *		131		
Toilet refurbishment (x1)	61	127	61	63
Toilet refurbishment *		61		
<b>Reserves (open spaces)</b>				
North Settlement Reserve/Alamar Crescent/boat ramp area at Mangawhai Heads capacity improvements	100			
North Settlement Reserve/Alamar Crescent/boat ramp area at Mangawhai Heads capacity improvements *		100		
Mangawhai walkway capacity projects for tracks and walkway		80	73	74
Implementation of Mangawhai Park Master Plan	100			
Implementation of the Harding Park/Pou Tu o Te Rangi Reserve Management Plan	100			
Improve drainage within Mangawhai Domain to allow all-season use	30			
Improve drainage within Selwyn Park, Dargaville, to allow all-season use	30			
Taharoa Domain Reserve Management Plan review (Kai Iwi Lakes)	40			
Memorial Park changing sheds	100			
Memorial Park changing sheds *		100		
Memorial Park Reserve Management Plan	50			
Omnibus Reserve Management Plan for similar types of reserves	80			
District playgrounds new		25	26	26
District playgrounds renewals		25	25	26
Reserves projects identified through Community Planning	60			
District Coastal Structures		50		
Mangawhai Tracks Charitable Trust	5			
Reserves acquisitions		100	105	106
<b>Social Housing</b>				
Housing renewals Dargaville and Ruawai		15	15	16
Replace shower units / fittings	9			
Shed for mobility scooters - Awakino Road	5			
Mangawhai housing renewals	22			
Stove and window replacements	9			
<b>Total</b>	<b>1,378</b>	<b>1,186</b>	<b>695</b>	<b>712</b>

\* Carried forward from prior year

## Community Activities - Performance Measures

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Community Halls</b>						
<i>Provision</i>						
<i>Publicly available hall in every urban settlement with a resident population exceeding 1,000.</i>						
<b>Measured by</b>						
Annual count	New measure from 2015/2016	New measure from 2015/2016	A public hall is available in Dargaville, Mangawhai Village and Mangawhai Heads	A public hall is available in Dargaville, Mangawhai Village and Mangawhai Heads	A public hall is available in Dargaville, Mangawhai Village and Mangawhai Heads	A public hall is available in Dargaville, Mangawhai Village and Mangawhai Heads
<b>Community Housing</b>						
<i>Quality: Affordability</i>						
<i>To provide housing suitable for members of the community who have difficulty providing it themselves.</i>						
<b>Measured by</b>						
Annual Tenant Survey - Percentage of tenants satisfied with standard of accommodation and services.	95%	95%	95%	95%	95%	95%

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
Annual Tenant Survey - Percentage of tenants who rate Council response to Request for Service as excellent/good.	90%	94%	90%	90%	90%	90%
Net cost to ratepayers for Council's Community Housing services.	Zero	Zero	Zero	Zero	Zero	Zero
Annual occupancy rate.	90%	90%	90%	90%	90%	90%
Compliance with the Memorandum of Understanding with Housing New Zealand for the management (not necessarily by Council) of Dargaville, Ruawai and Mangawhai Community Housing.	New measure from 2015/2016	New measure from 2015/2016	100%	100%	100%	100%
<b>Reserves and Open Space</b>						
<b><i>Open Spaces, linkages and facilities</i></b>						
<b><i>To provide and enhance open spaces, linkages and facilities to promote community well-being and enjoyment</i></b>						
<b>Measured by</b>						
Percentage of residents who are very/fairly satisfied with their local parks and sports fields.	85%	85%	85%	85%	85%	85%
Percentage of residents who are very/fairly satisfied with their public conveniences.	67%	65%	65%	65%	65%	65%

<b>Performance indicator/ service level</b>	<b>Annual Report 2013/2014</b>	<b>Annual Plan 2014/2015</b>	<b>LTP Year 1 Target 2015/2016</b>	<b>LTP Year 2 Target 2016/2017</b>	<b>LTP Year 3 Target 2017/2018</b>	<b>LTP Years 4-10 Target 2018/2025</b>
User satisfaction with cleanliness and lack of litter and graffiti.	83%	70%	70%	70%	70%	70%
Parks Maintenance Contract measures are met.	New measure from 2015/2016	New measure from 2015/2016	Achieved	Achieved	Achieved	Achieved
An active sports park within a 40 minute drive of all residents (not all belonging to Council) with toilet and changing facilities.	New measure from 2015/2016	New measure from 2015/2016	Achieved	Achieved	Achieved	Achieved
Coastal access and esplanade reserves in urban areas already developed or zoned for residential development in the District Plan, with carparking areas.	New measure from 2015/2016	New measure from 2015/2016	Achieved	Achieved	Achieved	Achieved
A local purpose reserve within 15 minute walk of residents in urban areas already developed or zoned for residential development in the District Plan.	New measure from 2015/2016	New measure from 2015/2016	Achieved	Achieved	Achieved	Achieved
A public toilet in shopping areas servicing an urban population over 2,000.	New measure from 2015/2016	New measure from 2015/2016	Achieved	Achieved	Achieved	Achieved



Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Community Assistance</b>						
<i>Implementing the Community Assistance Policy including Grants, Contract for Service, Licence to Occupy and the Mangawhai Endowment Lands Account</i>						
<b>Measured by</b>						
Contract for Service, Operational and Capital Grants, Mangawhai Endowment Lands Account applications called for and processed within timeframes.	New measure from 2015/2016	New measure from 2015/2016	Achieved	Achieved	Achieved	Achieved
<b>Libraries</b>						
<b>Accessibility</b>						
<i>To provide accessible library services to the residents of Kaipara.</i>						
<b>Measured by</b>						
Percentage of householders that have used the District's libraries in the past 12 months.	53%	75%	60%	60%	60%	60%
<b>Quality</b>						
<i>To provide a range of quality resources and material relevant to the residents of Kaipara.</i>						
<b>Measured by</b>						
Percentage of library users who are very/fairly satisfied with the Kaipara District's library services.	89%	91%	81%	81%	81%	81%

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
To comply with Library and Information Association of New Zealand Aotearoa (LIANZA) guidelines for populations of 5,000 or more the Public Library in Dargaville is open for 43 hours per week including Saturdays.	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved

### Community Activities – Significant Negative Effects

- The overall Kaipara community is made up of a number of communities of interest which can be defined by location, age group, ethnicity, gender or issue. Each has its priorities and resources to call upon in achieving its ends, which contribute to the common good. Council must be mindful of these differences – a variety of approaches is necessary in order to achieve a consistent outcome. The rules which councils must operate under can sometimes make it difficult for a fair yet flexible approach to be taken; and
- Sometimes when the Council takes a step in providing support it can create an expectation of ongoing assistance – dependency can be created. This is the opposite of what Council seeks to achieve – resilient, vibrant, sustainable communities albeit supported strategically by Council.

## Regulatory Management

### What We Want To See

- Regulatory Services being efficient and low-key in allowing individuals and communities in Kaipara to go about their normal lives and aspire to make positive changes as easily as possible.

### Why We Do It

- **Building Control:** To provide safe access to and use of the buildings people visit, work and live in. To provide information on request to applicants who intend to build, or develop a property;
- **Resource Management:** To advise and process resource consents for subdivisions and land use. To ensure compliance with resource consent conditions. To provide Council's approval for the granting of new land titles;
- **Environmental Health:** To promote and improve human health and safety, for all persons in the Kaipara District; and
- **Animal Management:** To meet Council's statutory obligations to provide dog and stock control services to protect community health and safety.

### Activity Description - *What We Do*

- Council assesses applications for consents, licences and certificates under various pieces of legislation and associated regulations within specified timeframes;
- Council monitors compliance of those who have been granted consents etcetera and those who are infringing various provisions, including Bylaws; and
- Council must provide various reports to various Government departments including the Department of Statistics, the Ministry of Business, Innovation and Employment, the Ministry for the Environment and the Department of Internal Affairs.

### The Level of Service

- Retain accreditation of building services;
- Meet all Building and Resource Consent timeframes; and
- Legal compliance with statute for all licences and registrations:
  - The Health Act 1956
  - The Food Act 2014

- The Sale of Liquor Act 1989
- The Sale and Supply of Alcohol Act 2012
- The Dog Control Act 1996
- The Impounding Act 1955;
- Monitoring and compliance responses activated by complaints (other than regular building inspections) ; and
- Inspect and audit buildings to compliance with regulations, including meeting Resource Management Act requirements, and where necessary take enforcement action.

### **Service Level Issues**

- There are significant improvements underway to Council's resource consenting processes;
- There are issues with the District Plan that add non-value costs to Resource Consents, and plan changes are needed;
- The new legislation in regard to alcohol and food licensing has added to processes and costs for Council and applicants;
- The processing of building consents is of an extremely high standard as a result of investment in improvements including the use of new processing and inspections software; and
- The annual review of Fees and Charges will, over time, improve cost recovery for consenting and licencing. A better process is required for ensuring the reviewed charges are implemented on 01 July each year.

### **Service Level Risks**

- The main risk to Council is the likelihood of mistakes made from low quality processing of consents, especially Resource Consents. However significant improvements are underway to reduce this risk; and
- As the new District Plan is implemented, some risks are becoming clear that will need plan changes e.g. the requirements for turning circles and the fire safety rule.

## Contribution to Community Outcomes

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- Council's regulation has traditionally been made to be as enabling as possible. This is now not possible for the building consent processes, and the regulations are tightly managed and enforced, but remains the case in other areas.

## Funding Source and Rationale

### *Funding:*

- Building Control: 95% Fees and Charges; 5% Uniform Annual General Charge;
- Resource Consents: 66% Fees and Charges; 34% general rate;
- Environmental Health: 80% Fees and Charges; 10% Uniform Annual General Charge; 10% general rate;
- Animal Management: 80% Fees and other user charges (e.g. infringement fines); 10% Uniform Annual General Charge; 10% general rate;
- Alcohol Compliance: 80% Fees and Charges; 10% Uniform Annual General Charge; 10% general rate; and
- Compliance Services: 15% Fees and Charges; 85% Uniform Annual General Charge.

### *Rationale:*

- There are mostly private benefits for the consents, licences and certificates granted and issued by the Council and those that benefit should be charged. However, there is an element of public good in all services that is reflected in the private/public funding ratios above based on the ratios specified in the Revenue and Financing Policy. The Revenue and Financing Policy in the Long Term Plan 2015/2025 specifies cost recovery ratios for Regulatory Activities; and
- Fees and Charges are reviewed annually.

## Regulatory Management - Improvement Programme 2015/2025

### Year 1

### Planned improvement/change 2015/2016

- The level of monitoring and compliance will be reviewed with the intent of increasing activity in this area.

#### Building Control

- Create an inspection guideline for builders to utilise onsite.
- Review Fees and Charges.
- Improvements to internal systems.

#### Resource Consents

- Develop a Customer Communication Strategy.
- Review Fees and Charges.
- Develop capacity for online receipt of Resource Consent applications.

#### Environmental Health

- Review the service contract in light of changes required to implement the Food Act 2014.
- Review of Fees and Charges.

#### Animal Management

- Conclude a Shared Service Agreement with Whangarei District Council.
- Review Fees and Charges.
- Develop a new service contract for tender (\$20,000 - \$30,000 budget with Compliance Services Contract).

#### Alcohol Compliance

- Review the service contract in light of changes required to implement the Sale and Supply of Alcohol Act 2012 (\$20,000 - \$30,000 budget for a new contract with Environmental Health Services)
- Review Fees and Charges taking account of those imposed under the Sale and Supply of Alcohol Act 2012.

<b>Regulatory Management - Improvement Programme 2015/2025</b>	
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<b>Compliance Services</b> <ul style="list-style-type: none"> <li>• Conclude a Shared Service Agreement with Whangarei District Council for noise control, parking and Bylaw enforcement.</li> <li>• Complete expansion of monitoring and compliance capability (\$80,000 - \$90,000 annually funded partly covered by variable revenue from increased infringement fines).</li> <li>• Review Fees and Charges.</li> </ul>
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• Investigate online shared services.</li> <li>• Review customer knowledge base information.</li> <li>• Review Fees and Charges.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• Implement improvements from online shared services.</li> <li>• Review Fees and Charges.</li> </ul>

## Regulatory Management - Funding Impact Statements – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	400	471	477	483	490	496	504	511	516	520	524
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	2,026	2,487	2,550	2,616	2,687	2,764	2,847	2,936	3,032	3,136	3,248
Internal charges and overheads recovered	359	570	584	599	615	633	652	672	694	718	744
Local authorities fuel tax, fines, infringement fees and other receipts	78	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>2,863</b>	<b>3,528</b>	<b>3,611</b>	<b>3,698</b>	<b>3,792</b>	<b>3,893</b>	<b>4,003</b>	<b>4,119</b>	<b>4,242</b>	<b>4,374</b>	<b>4,516</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	2,291	2,608	2,664	2,726	2,790	2,861	2,936	3,017	3,103	3,196	3,297
Finance Costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	572	920	943	968	994	1,023	1,053	1,086	1,122	1,160	1,202
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,863</b>	<b>3,528</b>	<b>3,607</b>	<b>3,694</b>	<b>3,784</b>	<b>3,884</b>	<b>3,989</b>	<b>4,103</b>	<b>4,225</b>	<b>4,356</b>	<b>4,499</b>
<b>Surplus (deficit) of operating funding</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>9</b>	<b>14</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>17</b>



## Regulatory Management - Funding Impact Statements - Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	-2	1	0	2	0	1	0	0	2
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	2	5	8	11	14	17	17	18	19
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>8</b>	<b>11</b>	<b>14</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>19</b>
<b>Surplus (deficit) of capital funding</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>-4</b>	<b>-8</b>	<b>-9</b>	<b>-14</b>	<b>-16</b>	<b>-17</b>	<b>-18</b>	<b>-17</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Regulatory Management - Performance Measures

Measuring performance: - Building Control Inspections, Compliance and Enforcement - Resource Consents, Monitoring and Enforcement

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Building Control Inspections, Compliance and Enforcement</b>						
<i>Customer Benefits</i>						
<i>Ensure effective response to customer enquiries about building standards.</i>						
<b>Measured by</b>						
Percentage of customers who rate Request for Service responses as excellent/good.	Not formally measured	90%	85%	85%	85%	85%
<i>Responsiveness</i>						
<i>To process applications in accordance with statutory timeframes.</i>						
<b>Measured by</b>						
Percentage of Building Consents (BC) processed within 19 working days.	92% (18 day measure)	95% (18 day measure)	95%	95%	95%	95%
Percentage of Project Information Memoranda (PIM) processed within 19 working days.	100% (18 day measure)	95% (18 day measure)	95%	95%	95%	95%
Percentage of Code Compliance Certificates (CCC) issued within 20 working days.	99%	100%	100%	100%	100%	100%

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Quality</b>						
<i>Monitoring of Building Consent applications and inspections to ensure projects comply with New Zealand Building Code.</i>						
<b>Measured by</b>						
Advise building owners/occupiers of the expiry date of their Warrant of Fitness one month before the expiry date.	100%	95%	95%	95%	95%	95%
All new buildings in the Kaipara District for which Building Consent has been issued comply with the NZ Building Code (includes approval of building plan, as well as confirmation that the resulting building matches the approved plans).	New measure from 2015/2016	New measure from 2015/2016	95%	97%	99%	100%
Buildings under construction inspected to ensure that code compliance is achieved.	New measure from 2015/2016	New measure from 2015/2016	70%	80%	90%	90%
Illegal activity/unauthorised work complaints investigated within three working days.	New measure from 2015/2016	New measure from 2015/2016	90%	92%	94%	95%
<b>Resource Consents, Monitoring and Enforcement</b>						
<b>Customer Benefits</b>						
<i>Ensure effective response to customer enquiries about District Plan/Resource Consent requirements.</i>						
<b>Measured by</b>						
Percentage of customers who rate Request for Service responses as excellent/good.	Not formally measured	90%	85%	85%	85%	85%

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Responsiveness</b> <i>To process applications in accordance with statutory timeframes.</i>						
<b>Measured by</b>						
Percentage of non-notified Resource Consents processed within 18 working days.	43%	95%	95%	95%	95%	95%
Percentage of Resource Consents notified by Council that is subject to objections/appeals against consent conditions.	33%	3%	1%	1%	1%	1%
Percentage of Land Information Memoranda (LIM) processed within 10 working days.	100%	100%	100%	100%	100%	100%
<b>Quality</b> <i>Resolving of complaints concerning breaches of conditions of resource consent and other non-compliance with the District Plan.</i>						
<b>Measured by</b>						
Percentage of complaints concerning breaches of Resource Consent conditions relating to earthworks and/or sediment control that are resolved to ensure compliance within 5 working days.	62%	96%	95%	95%	95%	95%
Percentage of complaints regarding unconsented works and non-compliance with the District Plan and Resource Consent investigated within 5 working days.	New measure from 2015/2016	New measure from 2015/2016	80%	90%	95%	95%

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
Percentage of all new granted Resource Consents are audited each year to ensure they comply with relevant conditions.	New measure from 2015/2016	New measure from 2015/2016	10%	15%	20%	20%
<b>Environmental Health</b>						
<i>Health and Safety Customer Service</i>						
<i>Regulate commercial operations to protect public health.</i>						
<b>Measured by</b>						
Percentage of food premises inspected at least once per year.	100%	100%	100%	100%	100%	100%
Percentage of alcohol premises inspected at least once per year	100%	100%	100%	100%	100%	100%
<b>Reliability</b>						
<i>Respond to environmental health issues in the interest of protecting public health.</i>						
<b>Measured by</b>						
Percentage of customers who rate Requests for Service responses as excellent/good.	Not measured	95%	85%	85%	85%	85%

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Animal Management</b>						
<i>Reliability</i>						
<i>Respond to Animal Management issues.</i>						
Percentage of priority response times being met.	New measure from 2015/2016	New measure from 2015/2016	85%	86%	87%	88%
Percentage of customers who rate Request for Service responses as excellent/good.	47%	95%	85%	85%	85%	85%

### Regulatory Management – Significant Negative Effects

- There are no significant negative effects from this activity.

## Emergency Management

### What We Want To See

- Enhanced community resilience across the District.

### Why We Do It

- **Civil Defence:** To increase community awareness, understanding, preparedness for emergencies, reduce the risks from hazards to the District and enhance the District's capability to manage and recover from emergencies; and
- **Rural Fire:** To safeguard life, property and the environment by the prevention, detection, control, restriction, suppression and extinction of fire in forest and rural areas within the Kaipara District Council Rural Fire Authority boundaries.

### Activity Description - *What We Do*

- Council will, in an emergency event, operate an Emergency Operations Centre at the Dargaville Office or other location if necessary. Council ensures that it has on-going capability by conducting training sessions and having relationships with a number of agencies such as the Police and New Zealand Fire Service. A number of volunteers are available through Red Cross, St John Ambulance Service and other organisations to assist in an emergency event;
- The Council has a number of Community Response Plans in place that assist it in managing a Civil Defence emergency; and
- The Council has a contract in place to manage responses to rural fire events if they occur.

### The Level of Service

- Through compliance with Civil Defence and Rural Fire legislation and with the Civil Defence Group Plan for Northland, the Council will be able to provide support to the community during an emergency.

### Service Level Issues

- There are no service level issues.

**Service Level Risks**

- Extreme weather events, often low pressure weather patterns with high winds and heavy rainfall in short timeframes, are the most common risk. Property is more at risk than people. The highest impact but least likely risk, is from tsunami along the east coast

**Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- Making it easy involves ensuring communities are resilient and responsive when an emergency event occurs. Council develops Community Response Plans with individual communities to achieve this.

**Funding Source and Rationale*****Funding:***

- General rates;
- Uniform Annual General Charges; and
- Subsidies and grants.

***Rationale:***

- Civil Defence emergencies and rural fire events have the potential to affect large sections of the District's communities.



<b>Emergency Management - Improvement Programme 2015/2025</b>	
<b>Year 1</b> <b>Planned improvement/ change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>Continue to train staff in Emergency Management systems e.g. EMIS, Welfare Training and CIMS training.</li> <li>Review and assess what resources would be needed to set up a permanent dedicated Emergency Operations Centre and where this should be located. Continued upgrading of Emergency Operations Centre resources e.g. radio communications equipment, fixed wiring for computer ports, extend generator wiring to include other areas of Council as resources allow.</li> <li>Replace incident ground radios for Rural Fire Support services.</li> </ul>
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>Continue to train staff in Emergency Management systems e.g. EMIS, Welfare Training and CIMS training.</li> <li>New CIMS resources to meet new standards.</li> <li>New radio repeater and recorder with digital and internet capability for Rural Fire.</li> </ul>
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>Continue to train staff in Emergency Management systems e.g. EMIS, Welfare Training and CIMS training.</li> <li>Improved mapping functionality for Emergency Services.</li> <li>Computers and printers for established rural fire depots.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>Review of Emergency Service delivery in Kaipara to gauge whether a full-time equivalent encompassing Rural Fire and Civil Defence is more beneficial.</li> <li>Replace Paparoa Fire tanker for Rural Fire Service support.</li> <li>Purchase a medium fire appliance for Rural Fire response in Tinopai if community establish a Fire Depot.</li> </ul>

## Emergency Management - Funding Impact Statement – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	356	212	217	223	229	236	243	250	259	267	277
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	118	118	121	125	128	132	136	140	144	149	155
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>474</b>	<b>330</b>	<b>338</b>	<b>348</b>	<b>357</b>	<b>368</b>	<b>379</b>	<b>390</b>	<b>403</b>	<b>416</b>	<b>432</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	283	284	292	299	307	317	326	336	347	360	373
Finance Costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	38	46	47	48	49	51	52	54	56	57	60
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>321</b>	<b>330</b>	<b>339</b>	<b>347</b>	<b>356</b>	<b>368</b>	<b>378</b>	<b>390</b>	<b>403</b>	<b>417</b>	<b>433</b>
<b>Surplus (deficit) of operating funding</b>	<b>153</b>	<b>0</b>	<b>-1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>

## Emergency Management - Funding Impact Statement - Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	115	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	1	-1	-1	0	-1	0	0	1	1
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>115</b>	<b>1</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	153	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to replace existing assets	0	153	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	-38	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>153</b>	<b>115</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus (deficit) of capital funding</b>	<b>-153</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Emergency Management - Capital Expenditure Programme

For the period commencing:	Annual Plan	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018
	\$'000	\$'000	\$'000	\$'000
<b>Rural Fire</b>				
Replace Fire Appliance	153	-	-	-
Replace Fire Appliance *		153		
<b>Total</b>	<b>153</b>	<b>153</b>	<b>-</b>	<b>-</b>

\* Carried forward from prior year

## Emergency Management - Performance Measures

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Civil Defence</b>						
<b>Reliability</b> <i>To build a resilient and safer Kaipara District and communities understanding and managing their hazards and risks.</i>						
<b>Measured by</b>						
Number of Civil Defence training exercises conducted per annum.	1	1	1	1	1	1
Time taken to activate the Emergency Operations Centre after the notification of a local Civil Defence emergency.	Not measured as no emergencies occurred	< 1 hour	< 1 hour	< 1 hour	< 1 hour	< 1 hour
Three yearly updating and reviewing of Kaipara Community Response Plans. Plans will be displayed on Regional Council's website and a link from Kaipara	New measure from 2015/2016	New measure from 2015/2016	4 plans updated and reviewed per year	4 plans updated and reviewed per year	4 plans updated and reviewed per year	4 plans updated and reviewed per year
<b>Rural Fire</b>						
<b>Health and Safety</b> <i>To protect life and property from rural fires with trained personnel within the Kaipara District Rural Fire Authority Area</i>						
<b>Measured by</b>						
Percentage of fire fighters who meet the National Rural Fire Authority Training Standards.	100%	53%	80%	80%	80%	80%

## Performance Measures – Emergency Management

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Health and Safety</b> <b>Fire safe behavior and practices through public education and rural fire co-ordination.</b>						
<b>Measured by</b>						
The number of public awareness campaigns run each year.	New measure from 2015/2016	New measure from 2015/2016	At least one campaign per year	At least one campaign per year	At least one campaign per year	At least one campaign per year

## Emergency Management – Significant Negative Effects

- Extinguishing rural fires may require the use of water chemical suppressants resulting in damage to the environment, ground and air pollution. This is mitigated through limiting the use of suppressants to essential requirements and compliance with National Rural Fire Authority standards;
- Fire sirens and warning systems result in noise pollution. The use of sirens will be limited to testing and emergency requirements. Preferential use of alternative technologies, such as telecommunications; will be investigated and where applied where applicable; and
- Damage to the natural environment such as broken vegetation and spoilt beaches, may occur during emergency response and recovery activities for example, providing access to ‘at risk’ people, property and infrastructure, disposal of slip and flood material and restoration of hazard protection structures and lifelines. Activities will be limited, where possible, to the protection of life and property.

## **Flood Protection and Control Works**

### **What We Want To See**

- People and property protected from flooding caused by severe weather events.

### **Why We Do It**

- To protect people and properties (including productive land and infrastructure) from flooding and from possible damage caused by coastal erosion.

### **Activity Description - *What We Do***

- Council undertakes land drainage work in the Raupo Drainage District and 28 other drainage districts of various sizes. The Northland Regional Council (NRC) administers the Kaihu River; and
- Activities undertaken to maintain the current capacity of the land drainage network include:
  - Weedspraying
  - Drain clearance
  - Floodgate and outlet maintenance in all districts
  - Floodgate and stopbank maintenance in the Raupo Drainage District. Other stopbank maintenance for remaining districts is discretionary.
  - Flood protection is carried out through various drainage system stopbanks and floodgates. Rivers are also monitored for tidal levels and stormwater levels during weather events and to provide warning of potential flooding.
  - Council also maintains floodgates and monitors floodbank settlement rates.

### **The Level of Service**

- Drains have the capacity to enable floodwater to recede within three tidal cycles;
- Stopbanks are 2.6 metres above Mean High Sea Level leaving 0.5 metre above extreme high tide for Raupo area. Raupo Drainage Committee (a formal committee of Council) is in place to perform delegated functions;
- All flood protection activities outside of the Raupo district are, in general, administered by informal community committees supported to a greater or lesser extent by Council's Land Drainage Co-ordinator according to each committee's request for assistance. Maintenance on privately owned stopbanks is undertaken by the landowner.

- The NRC is responsible for catchment management; and
- Research is underway to establish and document current service levels in other areas.

### **Service Level Issues**

- It is currently unclear as to whether current levels of service meet the minimum standard;
- Any climate change impacts will need to be reflected in levels of service in the future; and
- There is some overlap and confusion as to the respective roles of Kaipara District Council and the NRC for land drainage.

### **Service Level Risks**

- Climate change;
- Objections from targeted ratepayers who feel they are not gaining benefits; and
- Landowners making it difficult to access public drains on private land.

### **Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- Protecting productive land from flood damage is critical to making it easy to do business.

### **Funding Source and Rationale**

#### ***Funding:***

- Targeted rates.

#### ***Rationale:***

- Flood Protection and Control Works affects certain landowners and they pay for the services provided through targeted rates.



<b>Flood Protection and Control Works - Improvement Programme 2015/2025</b>	
<b>Year 1</b> <b>Planned improvement/ change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>• Replace two floodgates in Raupo Drainage District.</li> <li>• Work commences on implementing the agreed recommendations of the Drainage District Governance Review Project.</li> <li>• Land Drainage Asset Register is completed to a maintenance standard.</li> <li>• Commence work with NRC to understand the implications of water storage and irrigation options.</li> </ul>
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>• Development of an Asset Management Plan for the remaining 28 Land Drainage Areas.</li> <li>• An Asset Management Plan with well understood design standards, setting out the condition of assets and a programmed approach of work within the remaining 28 Land Drainage Areas.</li> <li>• Election for Raupo Drainage Committee members plus any other districts that are appropriate.</li> <li>• Commission engineering report into potential climate change effects on the Land Drainage network.</li> </ul>
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• Review of Bylaw - Part 17 Land Drainage.</li> <li>• An understanding of whether changes need to be made to the Bylaw.</li> <li>• Review outcomes of engineering report on potential climate change effects.</li> <li>• Programme of consultation for next Long Term Plan with regards to findings from water storage and irrigation report and engineering report into potential climate change effects.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• Replace floodgate in Aratapu Village Drainage District.</li> <li>• Replace floodgate in Koremoa Drainage District.</li> <li>• Replace two floodgates in Raupo Drainage District.</li> <li>• Continuing programme of elections for Drainage District Committees.</li> </ul>

## Flood Protection and Control Works - Funding Impact Statement – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	7	14	15	15	16	16	17	18	18	19	20
Targeted rates (other than a targeted rate for water supply)	595	601	623	642	662	684	708	734	762	792	825
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	8	8	8	8	9	9	9	9	10	10	10
Internal charges and overheads recovered	11	4	4	4	5	5	5	5	5	5	6
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>621</b>	<b>627</b>	<b>650</b>	<b>669</b>	<b>692</b>	<b>714</b>	<b>739</b>	<b>766</b>	<b>795</b>	<b>826</b>	<b>861</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	452	405	420	433	446	461	477	495	514	534	556
Finance Costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	100	64	65	67	69	71	73	75	78	80	83
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>552</b>	<b>469</b>	<b>485</b>	<b>500</b>	<b>515</b>	<b>532</b>	<b>550</b>	<b>570</b>	<b>592</b>	<b>614</b>	<b>639</b>
<b>Surplus (deficit) of operating funding</b>	<b>69</b>	<b>158</b>	<b>165</b>	<b>169</b>	<b>177</b>	<b>182</b>	<b>189</b>	<b>196</b>	<b>203</b>	<b>212</b>	<b>222</b>

## Flood Protection and Control Works - Funding Impact Statement – Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-69	-57	-61	-61	-66	-67	-70	-73	-75	-79	-84
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>-69</b>	<b>-57</b>	<b>-61</b>	<b>-61</b>	<b>-66</b>	<b>-67</b>	<b>-70</b>	<b>-73</b>	<b>-75</b>	<b>-79</b>	<b>-84</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	101	104	108	111	115	119	123	128	133	138
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>0</b>	<b>101</b>	<b>104</b>	<b>108</b>	<b>111</b>	<b>115</b>	<b>119</b>	<b>123</b>	<b>128</b>	<b>133</b>	<b>138</b>
<b>Surplus (deficit) of capital funding</b>	<b>-69</b>	<b>-158</b>	<b>-165</b>	<b>-169</b>	<b>-177</b>	<b>-182</b>	<b>-189</b>	<b>-196</b>	<b>-203</b>	<b>-212</b>	<b>-222</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Flood Protection and Control Works - Performance Measures

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Reliability</b>						
<i>Monitor drainage of rivers and streams. Ensure minimal flood risk and coastal erosion to the community.</i>						
<b>Measured by</b>						
The number of schemes maintained to their full service potential.	New measure from 2015/2016	New measure from 2015/2016	100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted Asset Management Plans.	100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted Asset Management Plans.	100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted Asset Management Plans.	100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted Asset Management Plans.
Non-performance of drainage network due to poor monitoring or maintenance causing an inability to contain a 1 in 5 year flood as measured by public feedback i.e. Service Requests that result in additional cleaning to drains needed.	New measure from 2015/2016	New measure from 2015/2016	< 5 service requests per year	< 5 service requests per year	< 5 service requests per year	< 5 service requests per year

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
Council inspection of drainage network to ensure that a 1 in 5 year flood is contained by the network.	New measure from 2015/2016	New measure from 2015/2016	Minimum yearly inspections and targeted maintenance completed	Twice yearly inspections	Twice yearly inspections	Twice yearly inspections
Targeted maintenance of the stopbank system in the Raupo Drainage District to prevent tidal flows from inundating private property during high tide and/or when the river is in flood.	New measure from 2015/2016	New measure from 2015/2016	Minimum yearly inspections and targeted maintenance completed	Minimum yearly inspections and targeted maintenance completed	Minimum yearly inspections and targeted maintenance completed	Minimum yearly inspections and targeted maintenance completed

### Flood Protection and Control Works – Significant Negative Effects

- A lack of drainage networks or a lack of maintenance on the existing network could result in increased flooding of farming and cropping communities in low-lying land near rivers, streams and canals.
- The frequency of significant storm events and rainfall intensities are expected to increase steadily along with sea levels in the future.

## **District Leadership**

### **Governance - Community Planning - Corporate Planning**

#### **What We Want To See**

A high performing organisation with strong community and mana whenua support. There are five key areas that are the focus of our work:

- Working with people and businesses of Kaipara to encourage community and economic development;
- Rebuilding confidence and trust in the Council and democracy;
- Building a robust financial base for Council;
- Simplifying the way we rate for services; and
- Building the capacity and capability of the Council organisation

#### **Why We Do It**

- To support the organisation, to deliver Council services and to provide good quality information to the public.

### **Governance**

#### **Activity Description - *What We Do***

- The Council (currently the Commissioners under Terms of Reference detailing specific workstream areas) makes decisions on District strategies, policies, plans and Bylaws and undertakes civic duties such as citizenship ceremonies. Council also engages with mana whenua, District communities, public interest groups and key stakeholders to identify their priorities and preferences. This helps to ensure that decisions are made that take into consideration the preferences of a wide range of communities across the District;
- Governance has been defined as being the “keeper of the long view” in the Office of the Auditor-General’s report into the Mangawhai Community Wastewater Scheme (MCWWS). In her report she also states that “effective discharge of the overall governance role requires good information about what is happening.” District Leadership has the role of ensuring that timely, accurate and relevant information is made available to Elected Members/Commissioners;

- A key part of the Governance function is to ensure that decisions are well-informed and appropriate. Well-run Council and Committee meetings create an environment in which this is more likely to happen. Council Staff provide advice, information and administration support to assist Elected Members/Commissioners. Council Staff ensure that meetings follow correct processes and comply with legislation, record decisions and subsequently communicate these decisions to the community and other stakeholders. Elected Members/Commissioners ensure that they follow correct procedures to ensure that their decisions are robust and appropriate;
- The Council has been charged by the Government to implement numerous pieces of legislation and is required to ensure that all legal obligations are complied with; and
- Elected Members/Commissioners appoint and manage the Chief Executive in accordance with the provisions of the Local Government Act 2002.

Elected Members/Commissioners are responsible for:

- Ensuring open and informed consultation with the community to stimulate and lead debate on community issues;
- Advocating for the community with regards to Council policy and decision-making;
- Building an in-depth knowledge and understanding of matters relating to the Kaipara District;
- Making decisions that are in the best interests of the community as a whole; and
- Acting in accordance with the Code of Conduct.

Governance and Democracy support officers are responsible for:

- Preparation of timely, accurate and legally compliance agendas;
- Preparation of timely, accurate minutes;
- Providing governance support and advice to Elected Members/Commissioners;
- Providing governance and administrative support to Council and formal Committees of Council;
- Ensuring that information provided to Elected Members/Commissioners is accurate, informative and accessible; and
- Management of elections and matters relating to representation.

## **The Level of Service**

Achieving the Commissioners' Terms of Reference initially. Following the return to democracy in 2016, the Governance function is concerned with ensuring elected representatives are able to 'keep the long view'; namely to set direction for Council that reflects community expectations, to formulate policy, make significant decisions, test advice to ensure it is sound, monitor the activities of management and overall safeguard the quality of the relationship between Council and the community.

To achieve this the Governance function must ensure:

- Compliance with legal requirements (as stipulated in the Local Government Act 2002 and Local Government Official Information and Meetings Act 1978) around formal meetings of Council and its Committees;
- Comprehensive reporting to Council and Committee meetings using approved systems and processes to ensure Elected Members/Commissioners are provided with detailed, accurate and relevant information;
- That the Mayor/Chair of Council advocates for the community;
- That the Elected Members/Commissioners identify and respond to external risks to reduce or mitigate effects on the community;
- A proactive programme to develop good relationships with the community and mana whenua; and
- The transition from Commissioners back to Elected Members is successful.

## **Service Level Issues**

- One staff member supports governance activities. With a transition to democracy, further resources may be required;
- Allowance for an extra staff member has been made in the Long Term Plan.

## **Service Level Risks**

There are no service level risks.

## **Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature.



## Funding Source and Rationale

### ***Funding:***

- General rate.

### ***Rationale:***

- This activity provides public good.

## Community Planning

### **Activity Description - *What We Do***

Community Planning includes:

- Monitoring, developing and reviewing the District Plan to ensure that it meets legal compliance, including Plan Changes;
- Developing and reviewing Reserve Management Plans;
- Reviewing the Reserves and Open Space Strategy;
- Developing Community Action Plans in accordance with the Community Planning approach, including the distribution of the Community Development Fund;
- Making submissions on proposed regional and national documents; Proposed Regional Policy Statements and Proposed Regional Plans, Proposed National Policy Statements and Proposed National Environmental Standards;
- Making submissions to proposed changes in national legislation;
- Reviewing policies required by legislation within review cycles;
- Developing and/or reviewing policies, processes, systems and templates;
- Monitoring the State of the Environment and trends such as population and economic changes that may affect policy changes or responses;
- Contributing to regional environmental forums and initiatives;
- Contributing to regional economic forums and initiatives e.g. Government-led Growth Strategy and Northland Inc. led growth Action Plan;
- Supporting local economic development outcomes through Community Planning;
- Development and review of Bylaws; and
- Developing Social Policies e.g. Psychoactive Substances Policy, Liquor Policy.

## The Level of Service

As a large component of this Activity is discretionary for Council, the minimum service level is:

- All statutory required plans and documents are produced in accordance with legislative processes and requirements e.g. District Plan, Reserve Management Plans, Gambling Policy;
- Community Action Plans produced to build community trust in Council;
- Community Development Fund distributed through Community Planning, recorded, reported and within budget; and
- Consultation with the community is carried out to provide a forum for stimulating and leading debate.

## Service Level Issues

- The financial support available for Community Planning is limited. Work is prioritised using community priorities and outcomes.

## Service Level Risks

- There are no service level risks.

## Contribution to Community Outcomes

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- Community Planning officers work with the community across business and community development to help people participate in the development of their local place. This can take the form of monetary assistance to volunteer groups, facilitating community projects and working with the community to develop Council parks and open space, and manage community facilities.

## Funding Source and Rationale

### ***Funding:***

- General rate.

### ***Rationale:***

- This activity provides public good.

## Corporate Planning

### Activity Description - *What We Do*

This Activity includes, but is not limited to:

- Preparation of Annual Plans;
- Preparation of Long Term Plans;
- Preparation of Annual Reports;
- Preparation of Activity Plans that set service levels for each Council activity;
- Development and implementation of Divisional and Project Plans consistent with Council's Long Term Plan and Annual Plans;
- Regular Organisational Reporting to the Executive and Council;
- Development and implementation of Business Plans across the organisation;
- Manage a Policy Review Programme for internal policies;
- Project and programme management across the organisation including quality assurance and project risk management;
- Management of process and system improvement that contributes to good enterprise architecture;
- Management and overview of organisational processes and systems that deliver plans and projects to the community, accounting for the past and planning for the future; and
- This activity covers all internal services provided to ensure the organisation functions well e.g. Human Resources, Finance, Administration.

### The Level of Service

- Legal compliance of all statutory Plans in accordance with the Local Government Act, with unqualified audit opinions.

### Service Level Issues

- There are no service level issues. All deadlines for Corporate Planning are met and sometimes exceeded.

**Service Level Risks**

- There are no service level risks.

**Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature.

**Funding Source and Rationale*****Funding:***

- General rate.

***Rationale:***

- This activity provides public good.

## District Leadership - Improvement Programme 2015/2025

<b>Governance</b>	
<b>Year 1</b> <b>Planned improvement/ change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>• Judicial Review appeal completed.</li> <li>• Accountability actions completed.</li> <li>• Continued participation in Northland Reorganisation if appropriate.</li> <li>• Participate in Electronic Document and Records Management System (EDRMS) project to ensure compliant systems for democracy and governance.</li> <li>• Work with other Northland councils to identify service sharing and collaboration opportunities.</li> </ul>
<b>Year 2</b> <b>Planned improvement/ change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>• Return to democracy completed.</li> <li>• Committees' governance review completed under new Council.</li> <li>• New Council members inducted and Local Governance Statement plus Code of Conduct adopted. Oath fully explained and taken by new members.</li> <li>• Develop and implement Elected Members training plan.</li> </ul>
<b>Year 3</b> <b>Planned improvement/ change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• Continue to implement Elected Members training plan.</li> <li>• Ongoing monitoring of technology environment to identify system and process improvements.</li> <li>• Create plan for October 2019 election.</li> <li>• Long Term Plan review and adoption.</li> <li>• Review service delivery to identify improvements.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/ change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• Prepare/implement plan for October 2019 election.</li> <li>• Pre-consultation on Long Term Plan started.</li> <li>• Long Term Plan adopted in 2020 and 2024.</li> <li>• Ensure continued focus on service development and digitisation to reduce costs and timelines.</li> </ul>

<b>Community Planning</b>	
<b>Year 1</b> <b>Planned improvement/ change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>• Complete classification of all Reserves and Open Space and the setting of minimum service levels for maintenance.</li> <li>• Regional Policy Statement Plan Change processed.</li> <li>• Complete development of an overall district-wide Reserve Management Plan that has a management framework including objectives and policies for all reserves and then an individual appendix for each reserve.</li> <li>• Complete Reserve Contribution Works Programme.</li> <li>• Continue with Community Action Plans development for communities within the District.</li> <li>• Council-initiated Plan Changes processed.</li> <li>• Bylaw Review Programme implemented.</li> <li>• Policy Review Programme implemented.</li> <li>• District Plan monitoring and State of the Environment reporting.</li> <li>• Taharoa Domain Reserve Management Plan completed.</li> <li>• Memorial Park Reserve Management Plan completed.</li> </ul>
<b>Year 2</b> <b>Planned improvement /change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>• Regional Policy Statement Plan Change completed.</li> <li>• Reserve Planning.</li> <li>• Bylaw Review Programme implemented.</li> <li>• Policy Review Programme implemented.</li> <li>• District Plan rolling review.</li> <li>• Council-initiated Plan Changes processed.</li> <li>• Continue with Community Action Plans development for communities within the District.</li> <li>• District Plan monitoring and State of the Environment Reporting.</li> </ul>

<b>Community Planning</b>	
<b>Year 3</b> <b>Planned improvement/ change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• Reserves and Open Space Strategy Review.</li> <li>• Continue with Community Action Plans development for communities within the District.</li> <li>• District Plan monitoring and State of the Environment reporting.</li> <li>• Council-initiated Plan Changes processed.</li> <li>• District Plan rolling review.</li> <li>• Reserve Planning.</li> <li>• Bylaw Review Programme implemented.</li> <li>• Policy Review Programme implemented.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/ change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• Continue with Community Action Plans development for communities within the District.</li> <li>• District Plan monitoring and State of the Environment reporting.</li> <li>• District Plan rolling review.</li> <li>• Reserve Planning.</li> <li>• Bylaw Review Programme implemented.</li> <li>• Policy Review Programme implemented.</li> <li>• Council initiated Plan Changes processed.</li> </ul>

<b>Corporate Planning</b>	
<b>Year 1</b> <b>Planned improvement/ change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>• Development and implementation of Business Plans.</li> <li>• Quality reviews (3): decision-making (refer OAG Review), Regulatory (Building Services), Records Management.</li> <li>• Overview of the Policy Review Programme for external policies that are legally required to be periodically reviewed.</li> <li>• Management of a High Performance Framework for continuous improvement and operational excellence.</li> <li>• Contribution to good enterprise architecture across the organisation.</li> </ul>
<b>Year 2</b> <b>Planned improvement/ change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>• Management of a High Performance Framework for continuous improvement and operational excellence.</li> <li>• Management of key business improvement projects across the organisation.</li> <li>• Contribution to good enterprise architecture projects across the organisation.</li> </ul>
<b>Year 3</b> <b>Planned improvement/ change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• Management of a High Performance Framework for continuous improvement and operational excellence.</li> <li>• Management of key business improvement projects across the organisation.</li> <li>• Contribution to good enterprise architecture projects across the organisation.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/ change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• Management of a High Performance Framework for continuous improvement and operational excellence.</li> <li>• Management of key business improvement projects across the organisation.</li> <li>• Contribution to good enterprise architecture projects across the organisation.</li> </ul>



## District Leadership - Funding Impact Statement – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	3,850	4,065	3,813	4,530	4,162	3,944	4,597	4,556	4,782	4,910	4,846
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	611	65	66	68	1,185	4,259	74	76	79	82	84
Internal charges and overheads recovered	5,279	5,147	5,138	5,229	5,227	5,416	5,572	5,764	6,001	6,306	6,478
Local authorities fuel tax, fines, infringement fees and other receipts	210	351	358	365	373	382	391	401	412	423	436
<b>Total operating funding</b>	<b>9,950</b>	<b>9,628</b>	<b>9,375</b>	<b>10,192</b>	<b>10,947</b>	<b>14,001</b>	<b>10,634</b>	<b>10,797</b>	<b>11,274</b>	<b>11,721</b>	<b>11,844</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	7,925	8,916	9,142	9,706	10,159	12,209	9,708	9,851	10,075	10,573	10,782
Finance Costs	241	-152	-194	-212	-337	-334	-346	-374	-396	-338	-261
Internal charges and overheads applied	149	219	223	230	235	241	251	256	264	276	286
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>8,315</b>	<b>8,983</b>	<b>9,171</b>	<b>9,724</b>	<b>10,057</b>	<b>12,116</b>	<b>9,613</b>	<b>9,733</b>	<b>9,943</b>	<b>10,511</b>	<b>10,807</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,635</b>	<b>645</b>	<b>204</b>	<b>468</b>	<b>890</b>	<b>1,885</b>	<b>1,021</b>	<b>1,064</b>	<b>1,331</b>	<b>1,210</b>	<b>1,037</b>

## District Leadership - Funding Impact Statement – Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-1,477	-338	-4	-158	-231	-1,249	-495	-359	-651	-194	118
Gross proceeds from sale of assets	15	150	150	150	150	150	150	150	150	150	150
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>-1,462</b>	<b>-188</b>	<b>146</b>	<b>-8</b>	<b>-81</b>	<b>-1,099</b>	<b>-345</b>	<b>-209</b>	<b>-501</b>	<b>-44</b>	<b>268</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	173	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to improve the level of service	0	227	93	154	362	251	0	0	190	504	588
Capital Expenditure											
- to replace existing assets	0	230	225	231	280	244	251	306	268	277	339
Increase (decrease) in reserves	0	0	32	75	167	291	425	549	372	385	378
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>173</b>	<b>457</b>	<b>350</b>	<b>460</b>	<b>809</b>	<b>786</b>	<b>676</b>	<b>855</b>	<b>830</b>	<b>1,166</b>	<b>1,305</b>
<b>Surplus (deficit) of capital funding</b>	<b>-1,635</b>	<b>-645</b>	<b>-204</b>	<b>-468</b>	<b>-890</b>	<b>-1,885</b>	<b>-1,021</b>	<b>-1,064</b>	<b>-1,331</b>	<b>-1,210</b>	<b>-1,037</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## District Leadership - Capital Expenditure Programme

For the period commencing:	Annual Plan	Budget	Budget	Budget
1 July	2014-2015 \$'000	2015-2016 \$'000	2016-2017 \$'000	2017-2018 \$'000
<b>Vehicles</b>				
Vehicle replacement	61	200	102	106
<b>Information systems</b>				
Computer, server and power supply devices	47	40		
Website development	10			6
Replaced equipment		21	22	21
Contact Centre		102		
Contract Management / Project Accounting		6	32	
Electronic Agenda Management			29	
Purchasing			29	
Data Warehouse and Management Reporting				34
Agenda / Report Management				33
Library systems				82
<b>Council Buildings</b>				
Replacement of air conditioning units	13			
Replaced equipment		48	51	51
Replacement of carpet	21			
Civic buildings renewals		30	42	42
Office equipment and office refurbishment	21	10	11	10
<b>Total</b>	<b>173</b>	<b>457</b>	<b>318</b>	<b>385</b>

## District Leadership - Performance Measures

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	Year 1 Target 2015/2016	Year 2 Target 2016/2017	Year 3 Target 2017/2018	Years 4-10 Target 2018/2025
<b>Governance</b>						
<i>Compliance with legal requirements (as stipulated in the Local Government Act 2002 and Local Government Official Information and Meetings Act 1978) around formal meetings of Council and its Committees.</i>						
<b>Measured by</b>						
Meetings of Council and Committees are correctly convened and legislatively compliant.	New measure from 2015/2016	New measure from 2015/2016	All	All	All	All
<i>Elected Members/Commissioners are provided with detailed, accurate and relevant information.</i>						
<b>Measured by</b>						
Comprehensive reporting to Council and Committee meetings uses approved systems and processes.	New measure from 2015/2016	New measure from 2015/2016	All	All	All	All
Commissioners/Elected Members are satisfied with the level of support and service provided by officers.	75%	75%	Increasing Trend	Increasing Trend	Stable Trend	Stable Trend
Percentage of residents that are very/fairly satisfied with how rates are spent on services and facilities provided by Council.	56%	70%	60%	65%	70%	70%

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	Year 1 Target 2015/2016	Year 2 Target 2016/2017	Year 3 Target 2017/2018	Years 4-10 Target 2018/2025
<b><i>That the Elected Members/Commissioners identify and respond to external risks to reduce or mitigate effects on the community.</i></b>						
<b>Measured by</b>						
Percentage of residents that are very/fairly satisfied with the way Council involves the public in decision-making.	33%	60%	35%	37%	40%	42%
<b><i>A proactive programme to develop good relationships with the community and mana whenua.</i></b>						
<b>Measured by</b>						
Of those residents which have a view, the percentage of residents and non-resident ratepayers who have some level of confidence in the Council to make plans for the future that are in the best interests of the District.	43%	Increasing Trend	Increasing Trend	Increasing Trend	Increasing Trend	Stable Trend
Percentage of residents who rate the performance of Commissioners/Elected Members as very good/fairly good.	41%	60%	45%	47%	50%	55%
That the Mana Whenua Forum meets regularly.	New measure from 2015/2016	New measure from 2015/2016	4 times per year	4 times per year	4 times per year	4 times per year
<b><i>The transition from Commissioners back to Elected Members is successful.</i></b>						
<b>Measured by</b>						
Committees' Governance Structures are reviewed and adopted by a new Council.	New measure from 2015/2016	New measure from 2015/2016		Yes		Yes

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	Year 1 Target 2015/2016	Year 2 Target 2016/2017	Year 3 Target 2017/2018	Years 4-10 Target 2018/2025
Good levels of participation in elections.	New measure from 2015/2016	New measure from 2015/2016		Over 45%		Over 45%
<b><i>Processes established and maintained that provide opportunities for Maori to participated in decision-making (Section 81 LGA 2002)</i></b>						
<b>Measured by</b>						
Iwi Relationship Plan is developed and used	New measure from 2015/2016	New measure from 2015/2016	Iwi Relationship Plan is implemented	Mana Whenua forum meets 4 times a year	Mana Whenua forum meets 4 times a year	Mana Whenua forum meets 4 times a year
Participation in Iwi Chief Executive's Forum.	New measure from 2015/2016	New measure from 2015/2016	Chief Executive attends at least 2 meetings per year	Chief Executive attends at least 2 meetings per year	Chief Executive attends at least 2 meetings per year	Chief Executive attends at least 2 meetings per year
Maori Staff group.	New measure from 2015/2016	New measure from 2015/2016	Meets 4 times per year	Meets 4 times per year	Meets 4 times per year	Meets 4 times per year
<b>Community Planning</b>						
<b><i>Community Action Plans produced to build community trust in Council.</i></b>						
<b>Measured by</b>						
Number of Community Planning meetings held and Community Action Plans developed.	New measure from 2015/2016	New measure from 2015/2016	4 per year	4 per year	4 per year	4 per year

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	Year 1 Target 2015/2016	Year 2 Target 2016/2017	Year 3 Target 2017/2018	Years 4-10 Target 2018/2025
<b><i>All statutory required plans and documents are produced in accordance with legislative processes and requirements e.g. District Plan, Reserve Management Plans, Gambling Policy.</i></b>						
<b>Measured by</b>						
District Plan: Percentage of Building Consents that do not require a Resource Consent.	New measure from 2015/2016	New measure from 2015/2016	30%	40%	50%	60%
Reserve Management Plans for all reserves in the District.	New measure from 2015/2016	New measure from 2015/2016	30%	40%	50%	60%
<b><i>Community Development Fund distributed through Community Planning, recorded, reported and within budget.</i></b>						
<b>Measured by</b>						
Percentage of Community Development Fund distributed	New measure from 2015/2016	New measure from 2015/2016	100%	100%	100%	100%
<b>Corporate Planning</b>						
<b><i>Legal compliance of all statutory plans in accordance with the Local Government, with unqualified audit opinions.</i></b>						
<b>Measured by</b>						
Council has adopted Long Term Plan / Annual Plan at 30 June of each year.	New measure from 2015/2016	New measure from 2015/2016	Achieved	Achieved	Achieved	Achieved
Organisation has a Business Plan to implement Annual Plan/Long Term Plan by October each year.	New measure from 2015/2016	New measure from 2015/2016	Achieved	Achieved	Achieved	Achieved

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	Year 1 Target 2015/2016	Year 2 Target 2016/2017	Year 3 Target 2017/2018	Years 4-10 Target 2018/2025
Council is a 'going concern'.	New measure from 2015/2016	New measure from 2015/2016	Council has an adopted Annual Report at 31 October of each year with a clean audit report.	Council has an adopted Annual Report at 31 October of each year with a clean audit report.	Council has an adopted Annual Report at 31 October of each year with a clean audit report.	Council has an adopted Annual Report at 31 October of each year with a clean audit report.

### District Leadership – Significant Forecasting Assumptions

- A potential negative effect of any representative system or process is that some portion of the relevant population is not represented adequately. The extent to which this is significant depends on the proportion of people affected;
- Delays in amending and updating the District Plan affects the Plan's effective implementation, frustrates developers can result in a Plan that is not current and responsive;
- By its very nature, future planning needs to balance the desires of some citizens with the desires of the wider community. This often takes the form of influencing or controlling development activity so that the development of a property does not unreasonably distract from the quality of life of their neighbours or the wider community. In other cases development can impose unacceptable costs on community facilities and infrastructure, or on the environment;
- Growth, if not carefully managed, can have significant negative effects on the District's community, environment, economy and cultural well-being. The aim is to enable growth to take place while successfully managing its impacts; and
- Economic activity without regard to environmental values in ecologically sensitive areas could result in adverse economic as well as environmental outcomes.



## **Solid Waste**

### **What We Want To See**

- Affordable, hygienic, refuse collection and disposal that is environmentally sustainable, meets our statutory requirements and the needs of our communities.

### **Why We Do It**

- To ensure that the District's waste collection of residential and public refuse is undertaken in a manner that protects public health and the environment. The high quality of the environment makes the Kaipara District attractive to tourists and residents who seek to visit and live in a natural and unspoilt landscape.

### **Activity Description - *What We Do***

- Kerbside refuse bag collection in urban areas and at appointed collection sites in rural areas;
- Recycling collection in key urban areas;
- Provides two transfer stations for residential and residual waste disposal;
- Public litterbins;
- Illegally dumped rubbish (often referred to as "fly tipping");
- Abandoned vehicle removal;
- Support waste minimisation initiatives; and
- Monitor, maintain and manage a number of closed landfills in the District.

### **The Level of Service**

- A minimum of 14,000 litterbins will be cleared annually in the years 2015/2025;
- Recycling will be undertaken weekly in key urban areas from Mangawhai to Dargaville in accordance with the Council's Waste Minimisation and Management Plan 2010; and
- Zero Northland Regional Council non-compliance notices.

### **Service Level Issues**

- Most assets used for the delivery of Solid Waste services are owned by the appointed Contractors, not by Council. Council does not directly carry the capital costs of asset ownership, including finance charges, depreciation and renewal costs. The assets that are owned by Council are limited to land and minor site facilities;
- Asset condition assessment of Council's closed landfills is not considered to be a high priority within its Asset Management Plan (2011). However, monitoring of assets that are relevant to Resource Consents is an area that Council will be undertaking a basic condition assessment; and
- The Hakaru closed landfill is an exception to this; it produces leachate that has to be collected and disposed of at a high operational cost to Council. A more permanent solution is required. This is likely to involve a treatment plant onsite. Funding of \$250,000 adjusted for inflation has been included for this in each year of the Plan.

### **Service Level Risks**

- Government subsidy in the form of the Waste Minimisation Levy may not be at the current levels, meaning recycling would need to be funded from general rates;
- Leachate production as a result of refuse activity is an ongoing issue; and
- Service response not meeting customer expectations.

### **Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature;
- A seamless rubbish collection services at affordable levels will make life easy. However, this needs to be balanced against environmental goals of waste minimisation, involving reducing waste to landfill; and
- Pollution from leachate from landfills requires management to protect environmental quality.

## Funding Source and Rationale

### **Funding:**

- Recycling is a user-pays system. Recycling receives funding from Council via the Waste Minimisation Levy and the rest is funded from sales of bags;
- Household rubbish is run solely on a user pays system; and
- Public litterbins and closed landfills are funded by general rates.

### **Rationale:**

- User pays means that the cost associated with collection and disposal is passed directly to the user.

## Solid Waste - Improvement Programme 2015/2025

<b>Year 1</b> <b>Planned improvement/change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>• Look to cost and potential implement actions from Hakaru Landfill Management Plan.</li> <li>• Resource Consent renewals (as they expire).</li> <li>• Undertake final District Waste Audit.</li> </ul>
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>• Undertake basic condition assessment of physical assets and update asset data into BizeAssets.</li> <li>• Resource Consent renewals (as they expire).</li> </ul>
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• Development of Zero Waste initiatives through Waste Minimisation Education/Incentives.</li> <li>• Resource Consent renewals (as they expire).</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• Resource Consent renewals (as they expire).</li> <li>• Capping of Landfill sites – Hakaru and Dargaville. Develop long term management plans for closed landfills.</li> <li>• Resource Consent renewals (as they expire).</li> <li>• Investigate options for permanent removal of litterbins in key public areas.</li> </ul>

## Solid Waste - Funding Impact Statement – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	859	1,003	1,028	1,052	1,112	1,144	1,174	1,210	1,250	1,293	1,340
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	61	64	66	67	69	71	73	75	78	81	84
Internal charges and overheads recovered	0	509	523	539	522	539	557	576	597	620	644
Local authorities fuel tax, fines, infringement fees and other receipts	2	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>922</b>	<b>1,576</b>	<b>1,617</b>	<b>1,658</b>	<b>1,703</b>	<b>1,754</b>	<b>1,804</b>	<b>1,861</b>	<b>1,925</b>	<b>1,994</b>	<b>2,068</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	718	1,141	1,171	1,201	1,235	1,275	1,318	1,361	1,409	1,459	1,515
Finance Costs	43	29	27	26	24	21	20	18	16	14	12
Internal charges and overheads applied	108	126	130	134	138	143	149	155	161	168	176
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>869</b>	<b>1,296</b>	<b>1,328</b>	<b>1,361</b>	<b>1,397</b>	<b>1,439</b>	<b>1,487</b>	<b>1,534</b>	<b>1,586</b>	<b>1,641</b>	<b>1,703</b>
<b>Surplus (deficit) of operating funding</b>	<b>53</b>	<b>280</b>	<b>289</b>	<b>297</b>	<b>306</b>	<b>315</b>	<b>317</b>	<b>327</b>	<b>339</b>	<b>353</b>	<b>365</b>

## Solid Waste - Funding Impact Statement – Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-47	-30	-33	-34	-36	-37	-31	-32	-34	-38	-39
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>-47</b>	<b>-30</b>	<b>-33</b>	<b>-34</b>	<b>-36</b>	<b>-37</b>	<b>-31</b>	<b>-32</b>	<b>-34</b>	<b>-38</b>	<b>-39</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to improve the level of service	6	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	250	256	263	270	278	286	295	305	315	326
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>6</b>	<b>250</b>	<b>256</b>	<b>263</b>	<b>270</b>	<b>278</b>	<b>286</b>	<b>295</b>	<b>305</b>	<b>315</b>	<b>326</b>
<b>Surplus (deficit) of capital funding</b>	<b>-53</b>	<b>-280</b>	<b>-289</b>	<b>-297</b>	<b>-306</b>	<b>-315</b>	<b>-317</b>	<b>-327</b>	<b>-339</b>	<b>-353</b>	<b>-365</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Solid Waste - Capital Expenditure Programme

For the period commencing:	Annual Plan	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018
	\$'000	\$'000	\$'000	\$'000
<b>Dargaville</b>				
Awakino Road closed landfill	6	-	-	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Solid Waste - Performance Measures

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Reliability</b>						
<i>To provide regular community kerbside collections.</i>						
<b>Measured by</b>						
Percentage of residents who are satisfied with rubbish collection measured by the number of complaints received per calendar year regarding collection as a percentage of the total service requests.	New measure from 2015/2016	New measure from 2015/2016	73% satisfied	73% satisfied	73% satisfied	73% satisfied
<i>To ensure that closed landfill activities meet legislative compliance.</i>						
<b>Measured by</b>						
Percentage of compliance with our Resource Consents.	New measure from 2015/2016	New measure from 2015/2016	100%	100%	100%	100%
<i>To encourage recycling and reduction of waste to landfill.</i>						
<b>Measured by</b>						
Reduction in amount of waste to landfill from recycling activities with a percentage drop from year to year being a total of 3% less in three years.	New measure from 2015/2016	New measure from 2015/2016	1% less than previous year	1% less than previous year	1% less than previous year	1% less than previous year
Percentage of residents who are very/fairly satisfied with recycling collection in the annual Communitrak Survey.	New measure from 2015/2016	New measure from 2015/2016	52%	52%	52%	52%

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
Baseline measurement for recycling in 2014 is 530 tonnes of recycling diverted from landfill.	New measure from 2015/2016	New measure from 2015/2016	Increasing trend of tonnes recycled.	Increasing trend of tonnes recycled.	Increasing trend of tonnes recycled.	Increasing trend of tonnes recycled.

### **Solid Waste – Significant Negative Effects**

- Should the solid waste activity not be conducted correctly, this can result in odours, pests and loose refuse from uncollected rubbish;
- Leachate production is a significant negative effect of the solid waste activity which can pollute the natural environment if left unmanaged; and
- Kaipara has a dispersed population and the significant negative effect of the solid waste activity in rural areas is household rubbish not being placed in approved collection bags (referred to as illegal dumping). Where possible this is mitigated by the enforcement of appropriate bylaws and issuing of infringement notices.



## The Provision of Roads and Footpaths

### What We Want To See

- People and goods are able to move safely and efficiently around the District by a variety of means.

### Why We Do It

- The Kaipara District is heavily reliant on road transportation to enable communities to communicate, connect and do business through the District and beyond. This requires roads, footpaths, parking, signage, streetlighting, vegetation control and roadmarking works to ensure transportation is safe and effective. Kaipara District actively works with our regional counterparts, NZ Transport Agency (NZTA) and other stakeholders involved in the transport sector to plan and deliver services that contribute to the well-being of the communities we service.

### Activity Description - *What We Do*

The Council manages a road network of 1,574km of which 72% or 1,126km are unsealed and 448 kilometres are sealed.

The Kaipara District Council's Roads and Footpaths Activity is Council's core business and includes maintenance and renewal of the following assets on Council maintained roads (excludes State Highways):

- Sealed and unsealed roads (maintenance, renewals and improvements);
- Roadside drainage;
- Footpaths (extension, improvements and maintenance);
- Bridges (maintenance and replacement);
- Signage;
- Roadmarking;
- Streetlights;
- Slip repair programme;
- Street cleaning;
- Emergency work; initial response and reinstatement;

- Walkways and cycleways; and
- Roadside mowing and vegetation control.

Council's Roads and Footpaths Activity also includes other responsibilities:

- Promotion and education about road safety;
- Advocating for NZTA and other central government funding to support key transport infrastructure projects in the District;
- Promoting working with other local and regional councils to scope cost-saving, maintenance and management efficiencies across the regional roading network; and
- All new works will meet Council's Engineering Standards.

### **The Level of Service**

- Roads will be safely passable for all users;
- Every property will have access to the network (not necessarily supplied by Council);
- No fatal accidents are caused by road design or condition;
- Full uptake of all available NZTA subsidies within the three year planning programme;
- Maintenance minimum standards to be developed for each asset type:
  - Sealed network
    - No pothole >70mm in diameter
    - Edge break <1m in length, to be reacted on within 48 hours of notification
    - Edge break >1m in length, to be repaired by agreed programmed date
  - Unsealed network
    - Pothole repair >200mm in diameter
    - Corrugations >25mm deep, to be programmed but if unsafe, within one week of notification
  - Bridges are inspected on a biannual basis, in line with NZTA Bridge Manual. Bridges with weight or speed restrictions are inspected annually. Work on bridges is based on outcome of these inspections; and
- Safe and passable by the approved vehicle loads. This relates to all forms of heavy vehicles involved in farming, forestry or produce, which meet the classification for heavy weight vehicles.

**Service Level Issues**

- The service levels for roads are very low. Communities bring up the low quality of roads at every public meeting. Forestry will have some effect on network safety, dust generation and pavement deterioration, as do a number of vehicle types.

**Service Level Risks**

- Council ability to fund its share is a risk; and
- Decrease NZTA subsidies levels for rural roads.

**Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- Passable roads connect people to each other, to services and allow businesses to operate.

**Funding Source and Rationale*****Funding:***

- General rates;
- Uniform Annual General Charge;
- Targeted rates;
- Subsidies and grants;
- Internal charges and overheads recovered; and
- Local authority fuel taxes, fines, infringement fees and other receipts.

***Rationale:***

- All ratepayers use roads and the funding through the general rate and through Uniform Annual General Charges provides for the local contribution to the development and maintenance of the roading network. Subsidies from NZTA are set at a percentage of the local contribution.

## The Provision of Roads and Footpaths - Improvement Programme 2015/2025

<b>Year 1</b> <b>Planned improvement/change</b> <b>2015/2016</b>	<ul style="list-style-type: none"> <li>• Development and introduction of condition rating for footpaths.</li> <li>• If approved, investigate and design seal extensions and seal widening projects (one project).</li> <li>• Bridge rating.</li> <li>• Develop a policy on unmaintained roads.</li> <li>• Review the current network lengths (forms part of the above.)</li> <li>• Establish a contract with regards to the streetlight maintenance and power supply.</li> <li>• Develop a Statement of Proposal for emergency events.</li> <li>• Revise the KDC Engineering Standards 2011.</li> </ul>
<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<ul style="list-style-type: none"> <li>• Undertake a RAMM validation assessment of infield assets vs RAMM data.</li> <li>• If approved, investigate and design seal extensions and seal widening projects (one project).</li> <li>• Bridge rating.</li> <li>• Develop a policy on 'no parking' and 'accessibility parking' bays.</li> </ul>
<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<ul style="list-style-type: none"> <li>• If approved, investigate and design seal extensions and seal widening projects (one project).</li> <li>• Bridge rating.</li> </ul>
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	<ul style="list-style-type: none"> <li>• If approved, investigate and design seal extensions and seal widening projects (three projects).</li> <li>• Meet the AS/NZS 1158 standards for lighting for roads.</li> <li>• Have the prioritised intersections with flag lights.</li> <li>• Have the prioritised intersections and high traffic sections marked with profiled roadmarkings.</li> </ul>

Priority	Task Description	Measure of Achievement	Budget
1	Forestry Strategy	Is seen as a stepping stone of the Unsealed Road Strategy below.	\$42,478.00
1	Unsealed Road Strategy	Heavy vehicle usage (Forestry and Dairy). Balancing of maintenance work and renewal works.	\$15,000 estimate (dependent on findings)
1	Asset Data Collection	Review of information and quality of data collection (RAMM).	\$35,000 estimate
1	Asset Management Practices	Balancing between maintenance and capital works. Do more reseal work and less Rehabilitation in a managed, balanced way that is good for the asset.	Possible savings (dependent on findings and improved data)
	Bridge renumbering based on route position	Improve efficiency in identifying bridges. Enable the bridges to use as a benchmark when undertaking road surveys.	\$10,000
	Review Bridge Renewal Programme	To efficiently manage the repair and replacement bridge programme to meet the growing demand of heavier loads on the KDC network.	\$10,000
	Bridge rating	To enable efficient management of overloads on the KDC network.	\$20,000
	Import bridge rating and plan information in RAMM	To enable a one source of all bridge data and have it always available to KDC.	\$15,000
	Develop a Project Feasibility report for seal extensions/dust seals and seal widening projects	Assess each project on whether it will achieve NZTA funding based on NZTA's new business case approach.	\$30,000

## The Provision of Roads and Footpaths - Funding Impact Statement – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	9,853	9,301	9,923	9,734	10,613	10,846	11,297	11,642	12,002	12,385	12,803
Targeted rates (other than a targeted rate for water supply)	0	390	395	404	414	424	436	0	0	0	0
Subsidies and grants for operating purposes	3,834	4,621	4,674	4,795	4,389	4,493	4,620	4,734	4,876	5,027	5,193
Fees, charges and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	399	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	4	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>14,090</b>	<b>14,312</b>	<b>14,992</b>	<b>14,933</b>	<b>15,416</b>	<b>15,763</b>	<b>16,353</b>	<b>16,376</b>	<b>16,878</b>	<b>17,412</b>	<b>17,996</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	6,621	7,802	9,491	9,890	7,368	7,652	7,855	8,071	8,310	8,563	8,842
Finance Costs	86	70	66	62	57	52	47	41	36	30	23
Internal charges and overheads applied	3,630	2,711	2,784	2,868	2,773	2,862	2,956	3,056	3,167	3,284	3,413
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>10,337</b>	<b>10,583</b>	<b>12,341</b>	<b>12,820</b>	<b>10,198</b>	<b>10,566</b>	<b>10,858</b>	<b>11,168</b>	<b>11,513</b>	<b>11,877</b>	<b>12,278</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,753</b>	<b>3,729</b>	<b>2,651</b>	<b>2,113</b>	<b>5,218</b>	<b>5,197</b>	<b>5,495</b>	<b>5,208</b>	<b>5,365</b>	<b>5,535</b>	<b>5,718</b>

## The Provision of Roads and Footpaths - Funding Impact Statement – Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	10,544	5,483	5,022	5,959	7,727	7,682	8,131	7,661	7,891	8,136	8,404
Development and financial contributions	217	34	35	36	74	76	79	82	85	89	93
Increase (decrease) in debt	3,062	-71	1,525	1,722	-86	-89	-94	-101	-105	-113	-116
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>13,823</b>	<b>5,446</b>	<b>6,582</b>	<b>7,717</b>	<b>7,715</b>	<b>7,669</b>	<b>8,116</b>	<b>7,642</b>	<b>7,871</b>	<b>8,112</b>	<b>8,381</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	0	179	416	455	52	53	54	56	57	59	61
Capital Expenditure											
- to improve the level of service	3,350	1,529	1,954	1,630	2,385	2,054	2,506	2,581	2,659	2,741	2,832
Capital Expenditure											
- to replace existing assets	14,226	7,919	7,219	8,699	10,474	10,736	11,026	10,187	10,492	10,817	11,174
Increase (decrease) in reserves	0	-452	-356	-954	22	23	25	26	28	30	32
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>17,576</b>	<b>9,175</b>	<b>9,233</b>	<b>9,830</b>	<b>12,933</b>	<b>12,866</b>	<b>13,611</b>	<b>12,850</b>	<b>13,236</b>	<b>13,647</b>	<b>14,099</b>
<b>Surplus (deficit) of capital funding</b>	<b>-3,753</b>	<b>-3,729</b>	<b>-2,651</b>	<b>-2,113</b>	<b>-5,218</b>	<b>-5,197</b>	<b>-5,495</b>	<b>-5,208</b>	<b>-5,365</b>	<b>-5,535</b>	<b>-5,718</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## The Provision of Roads and Footpaths - Capital Expenditure Programme

For the period commencing:	Annual Plan	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018
	\$'000	\$'000	\$'000	\$'000
Pavement rehabilitation	3,884	2,599	2,636	2,695
Minor improvements	690	1,128	1,067	1,168
Resurfacing	846	1,164	1,182	1,208
Thin asphalt resurfacing	216			
Drainage renewals	432	410	416	424
Ordered drainage -urban	84			
Culvert works and renewals	477			
Bridge replacements	423			
Bridge structural component replacement	248	436	442	452
Heavy unsealed road remetalling	1,767	2,005	2,034	2,078
Traffic services renewals	257			
Footpaths new	62	60	61	62
Footpaths maintenance				
Lighting improvements	20			
Transport studies	88			
Development Contribution works	994	145	607	103
Preventative maintenance	400	305	319	311
Signs and markings		190	192	196
Seal extensions		250	507	621
Safety		125	126	129
Minor improvements *		810		1,337
New rehabilitations	2,670			
Minor rehabilitation	940			
2013-14 Structural component replacement	152			
2013-14 Minor improvement	1,102			
2013-14 Resurfacing	1,041			
2013-14 Preventive maintenance	170			
Storm damage	251			
Major drainage	291			
Lighting improvements	31			
New footpaths	40			
<b>Total</b>	<b>17,576</b>	<b>9,627</b>	<b>9,589</b>	<b>10,784</b>

\* Carried forward from 2014-2015



## The Provision of Roads and Footpaths - Performance Measures (Measures 1-5 are statutory requirements)

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>1 Safety</b> <i>The transportation network is designed and managed for safe use with low crash and injury rates.</i>						
<b>Measured by</b>						
Number of road fatalities and serious injuries caused by road factors.	New measure from 2015/2016	New measure from 2015/2016	13	12	11	10
<b>2.1 Road Condition (Smoothness)</b> <i>The average quality of ride on a sealed local road network, measured by smooth travel exposure.</i>						
<b>Measured by</b>						
Smoothness within average range as below: <90 smooth 90-110 average <110 rough.	98	90-110	90-110	90-110	90-110	90-110
<b>2.2 Road Condition (Pavement Integrity Index)</b> <i>The Pavement Integrity Index (PII) is a combined index of the pavement faults in sealed road surfaces. It is a 'weighted sum' of the pavement defects divided by total lane length.</i>						
<b>Measured by</b>						
PII within average range as below: <7 poor >10 good >11 very good	New measure from 2015/2016	New measure from 2015/2016	7-10	7-10	7-10	7-10

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>3 Road Maintenance</b> <i>The percentage of the sealed local road network that is resurfaced. (This is based on a design life of 15 years).</i>						
<b>Measured by</b>						
Minimum reseal percentage of the total sealed length of the network that will be undertaken each year to keep up with surface determination rates.	New measure from 2015/2016	New measure from 2015/2016	6.8%	6.8%	6.8%	6.8%
<b>4 Footpaths</b> <i>The percentage of footpaths within the District that fall within the level of service as determined by the condition rating (facilities are up-to-date, in good condition and 'fit for purpose').</i>						
<b>Measured by</b>						
Percentage of residents who are very/fairly satisfied with footpaths.	62%	73%	73%	73%	73%	73%
<b>5 Response to service requests</b>						
<b>Measured by</b>						
Percentage of customer service requests, approved for action, closed (customer informed of intended work schedule) within the target day timeframes set.	New measure from 2015/2016	New measure from 2015/2016	90%	90%	90%	90%

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Road Maintenance</b>						
<i>The length of the unsealed* local road network that is graded.</i>						
<b>Measured by</b>						
The length of the unsealed local road network that is graded per annum for Secondary Collector.	New measure from 2015/2016	New measure from 2015/2016	140km minimum	140km minimum	140km minimum	140km minimum
The length of the unsealed local road network that is graded per annum for Access.	New measure from 2015/2016	New measure from 2015/2016	1,200km minimum	1,200km minimum	1,200km minimum	1,200km minimum
The length of the unsealed local road network that is graded per annum for Access (Low Volume).	New measure from 2015/2016	New measure from 2015/2016	750km minimum	750km minimum	750km minimum	750km minimum

\*One Network Road Classification (ONRC)

## Roading and Footpaths – Significant Negative Effects

- Significant negative effects from vehicles using the roads and roading network itself include traffic hazards and accidents, dust, noise, emissions and other amenity effects and environmental effects;
- Council's Roading Asset Management Plan describes its roading assets and details the practices used to manage those assets which helps to reduce possible negative effects and risks; and
- Storms, greater than average size weather events, will require a restructure of the annual budgets to accommodate the costs to repair District roads.

## **Sewerage and the Treatment and Disposal of Sewage**

### **What We Want To See**

- That the District's wastewater is collected, treated and disposed of in a cost-effective, sustainable and environmentally friendly manner.

### **Why We Do It**

- To protect public health by providing Kaipara District with a reliable wastewater system in a manner that minimises adverse effects on the environment; and
- To ensure waste does not threaten us or the environment we live in is of high importance to our communities.

### **Activity Description - *What We Do***

The Kaipara District Council operates six community wastewater schemes for:

- Dargaville;
- Glinks Gully;
- Kaiwaka;
- Te Kopuru;
- Mangawhai; and
- Maungaturoto.

The Sewerage and the Treatment and Disposal of Sewage Activity focuses on protecting public and environmental health by collecting and treating wastewater prior to release into receiving environments. Council owns and maintains the wastewater service network covering:

- Collection and transfer of wastewater (reticulation);
- Pump station facilities;
- Treatment and storage of wastewater; and
- Discharge of treated wastewater into surrounding environments.

Council's Sewerage and the Treatment and Disposal of Sewage Activity includes other responsibilities through their professional and physical works contracts. Council undertakes the following:

- Asset Management;
- Customer Services;
- Treatment Plant Operations and Maintenance;
- Capital and Refurbishment Programmes; and
- Consent Monitoring and Compliance.

### **The Level of Service**

- Legal compliance with all Resource Consents for discharges into the environment from Council systems. The exception, provided for in the consent, is severe weather events and power failure;
- Services to customers from the six community wastewater schemes will be reliable and dependable;
- Extension of connections, disconnections to Council systems and exits from a scheme will be progressed where a business case shows benefits are in line with costs;
- We comply with Resource Consents except for Kaiwaka and Te Kopuru. Desludging of ponds will assist with compliance in the future and assist to avoid or mitigate any breaches of consent conditions;
- An extension of reticulation in Mangawhai is likely to be necessary to realise the full benefit from the investment already made; and
- Improvements are needed to the Asset Management Plan (AMP) to understand asset condition better and have an improved investment programme.

### **Service Level Issues**

- The schemes in the west are getting old and require investment, especially in the aged pipe network;
- It may be unaffordable to continue to provide services with the current aging plant/pipes to declining communities with old schemes. Communities most affected include Te Kopuru and Glinks Gully. The current levels of service will be maintained for the next three years whilst further assessment of the infrastructure is undertaken;
- The trend towards higher and higher environmental standards of discharges may incur increased costs that communities will struggle to pay for; and

- The MCWWS has unused plant capacity. Investigation is required to assess whether it is affordable to extend disposal and connection reticulation to use the full capacity of the plant. An Advisory Panel comprising six community members and two Commissioners have been appointed to consider if the reticulation network and disposal capacity should be extended to use more of the capacity of the plant. The business case for extension (or otherwise) will not be completed in time for inclusion in the Long Term Plan for 2015/2025. To prepare for a decision that the extension should proceed, a budget allowance has been included in years 4-10 totalling \$2.7 million. This should not be read as a decision to extend. This is still to be decided.

## **Service Level Risks**

- The biggest risk is scheme failure because of the lack of investment in pipe renewals in the schemes reaching the end of their asset life.

## **Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature; and
- The key issue for "easy" in this activity is affordability. A number of the schemes may become unaffordable in the future due to the level of renewals required to fix aging assets, and the declining population in some villages who need to pay for the work. To address this, Council is considering alternate ways of supplying this service to declining communities with aging infrastructure.

## **Funding Source and Rationale**

### ***Funding:***

- Sources of funding are from general rates, Uniform Annual General Charges and targeted rates. Targeted rates form the largest proportion of funding.

### ***Rationale:***

- There has been a falling ratio from around 78% targeted rate in 2013/2014 to 68% targeted rate in 2015/2016. Those that use the system pay the greater costs that relate to the operation of the system. The increasing community share reflects that the entire community benefits environmentally through sewerage systems that function in accordance with their Resource Consents and that cost-sharing on this basis is appropriate.

## Sewerage and the Treatment and Disposal of Sewage - Improvement Programme 2015/2025

<b>Year 1</b> <b>Planned improvement/change</b> <b>2015/2016</b>	<b>CAPEX Improvement</b> <table> <tr> <th>Project</th><th>Cost estimate \$</th></tr> <tr> <td>Dargaville: Renewals + pump station safety</td><td>429,000</td></tr> <tr> <td>Kaiwaka: Environmental compliance</td><td>2,500</td></tr> <tr> <td>Mangawhai: Effluent discharge + growth</td><td>485,000</td></tr> <tr> <td>Maungaturoto: Renewal + Environmental compliance + pump station safety</td><td>25,500</td></tr> <tr> <td>Te Kopuru: Environmental compliance</td><td>2,500</td></tr> <tr> <td><b>Total</b></td><td><b>\$944,500</b></td></tr> </table> <b>OPEX Improvement – (as per Asset Management Improvement Programme Three Waters)</b> <table> <tr> <th>Project</th><th>Cost estimate \$</th></tr> <tr> <td>Condition Assessment of wastewater – continuation</td><td>80,000</td></tr> <tr> <td>Improvement of Asset Information System (AssetFinda)</td><td>50,000</td></tr> <tr> <td>Hydraulic modelling wastewater</td><td>35,000</td></tr> <tr> <td><b>Total</b></td><td><b>\$165,000</b></td></tr> </table>	Project	Cost estimate \$	Dargaville: Renewals + pump station safety	429,000	Kaiwaka: Environmental compliance	2,500	Mangawhai: Effluent discharge + growth	485,000	Maungaturoto: Renewal + Environmental compliance + pump station safety	25,500	Te Kopuru: Environmental compliance	2,500	<b>Total</b>	<b>\$944,500</b>	Project	Cost estimate \$	Condition Assessment of wastewater – continuation	80,000	Improvement of Asset Information System (AssetFinda)	50,000	Hydraulic modelling wastewater	35,000	<b>Total</b>	<b>\$165,000</b>
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<b>Year 2</b> <b>Planned improvement/change</b> <b>2016/2017</b>	<b>CAPEX Improvement</b> <table> <tr> <th>Project</th><th>Cost estimate \$</th></tr> <tr> <td>Dargaville: Renewals</td><td>430,000</td></tr> <tr> <td>Kaiwaka: Pond curtain + environmental compliance</td><td>42,500</td></tr> <tr> <td>Mangawhai: Additional capacity for growth</td><td>40,000</td></tr> <tr> <td>Maungaturoto: Renewal + environmental compliance</td><td>52,500</td></tr> <tr> <td>Te Kopuru: Environmental compliance</td><td>2,500</td></tr> <tr> <td><b>Total</b></td><td><b>\$567,500</b></td></tr> </table>	Project	Cost estimate \$	Dargaville: Renewals	430,000	Kaiwaka: Pond curtain + environmental compliance	42,500	Mangawhai: Additional capacity for growth	40,000	Maungaturoto: Renewal + environmental compliance	52,500	Te Kopuru: Environmental compliance	2,500	<b>Total</b>	<b>\$567,500</b>										
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<b>Total</b>	<b>\$567,500</b>																								

Year 3 Planned improvement/change 2017/2018	CAPEX Improvement							
	Project				Cost estimate			
	Dargaville: Renewals				430,000			
	Kaiwaka: Environmental compliance				2,500			
	Mangawhai: Additional capacity for growth				40,000			
	Maungaturoto: Renewal + pump station storage + Environmental compliance				52,500			
	Total				\$525,000			
Years 4-10 Planned improvement/change 2018/2025	Wastewater							
	Capital Expenditure	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Dargaville	270,000	610,000	610,000	610,000	710,000	728,000	728,000
	Glinks Gully	10,000	20,000	-	-	5,000	-	-
	Kaiwaka	2,500	80,000	-	-	120,000	140,000	160,000
	Maungaturoto	12,500	132,500	132,500	130,000	212,500	230,000	230,000
	Te Kopuru	10,000	20,000	-	8,840	22,500	50,000	70,000



## Sewerage and the Treatment and Disposal of Sewage - Funding Impact Statement – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	1,891	2,729	2,538	2,586	2,978	3,001	2,474	3,219	3,064	3,098	3,387
Targeted rates (other than a targeted rate for water supply)	4,901	4,803	5,668	5,775	5,970	6,638	6,891	7,284	8,007	8,520	8,902
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	9	9	10	10	10	10	11	11	12	12	12
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	8	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>6,809</b>	<b>7,541</b>	<b>8,216</b>	<b>8,371</b>	<b>8,958</b>	<b>9,649</b>	<b>9,376</b>	<b>10,514</b>	<b>11,083</b>	<b>11,630</b>	<b>12,301</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	2,591	2,649	2,440	2,361	2,394	2,635	2,629	2,707	3,008	3,504	3,305
Finance Costs	3,375	3,706	3,672	3,685	3,315	3,239	3,211	3,159	3,108	3,043	3,053
Internal charges and overheads applied	612	937	893	881	896	962	972	1,003	1,086	1,212	1,178
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>6,578</b>	<b>7,292</b>	<b>7,005</b>	<b>6,927</b>	<b>6,605</b>	<b>6,836</b>	<b>6,812</b>	<b>6,869</b>	<b>7,202</b>	<b>7,759</b>	<b>7,536</b>
<b>Surplus (deficit) of operating funding</b>	<b>231</b>	<b>249</b>	<b>1,211</b>	<b>1,444</b>	<b>2,353</b>	<b>2,813</b>	<b>2,564</b>	<b>3,645</b>	<b>3,881</b>	<b>3,871</b>	<b>4,765</b>

## Sewerage and the Treatment and Disposal of Sewage - Funding Impact Statement – Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	645	350	350	350	391	452	493	535	576	637	699
Increase (decrease) in debt	-291	574	-516	-630	-1,336	-800	-365	-1,160	-1,455	-1,566	-2,180
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>354</b>	<b>924</b>	<b>-166</b>	<b>-280</b>	<b>-945</b>	<b>-348</b>	<b>128</b>	<b>-625</b>	<b>-879</b>	<b>-929</b>	<b>-1,481</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	173	429	42	43	265	615	637	661	686	383	399
Capital Expenditure											
- to improve the level of service	0	350	49	37	19	40	6	43	13	7	7
Capital Expenditure											
- to replace existing assets	412	695	498	481	309	889	861	867	2,140	2,308	2,770
Increase (decrease) in reserves	0	-301	456	603	815	921	1,188	1,449	163	244	108
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>585</b>	<b>1,173</b>	<b>1,045</b>	<b>1,164</b>	<b>1,408</b>	<b>2,465</b>	<b>2,692</b>	<b>3,020</b>	<b>3,002</b>	<b>2,942</b>	<b>3,284</b>
<b>Surplus (deficit) of capital funding</b>	<b>-231</b>	<b>-249</b>	<b>-1,211</b>	<b>-1,444</b>	<b>-2,353</b>	<b>-2,813</b>	<b>-2,564</b>	<b>-3,645</b>	<b>-3,881</b>	<b>-3,871</b>	<b>-4,765</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Sewerage and the Treatment and Disposal of Sewage - Capital Expenditure Programme

For the period commencing:	Annual Plan	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018
	\$'000	\$'000	\$'000	\$'000
<b>Dargaville</b>				
Increase pump station capacity	99			
Increase pump station capacity *		100		
Pump station renewal			52	81
Renewal of reticulation areas	150	425	395	377
Renewal of reticulation areas *		150		
Step screen at oxidation ponds	96			
Various projects generated from 2013/14 Condition Assessment	175	4		
<b>Glinks Gully</b>				
Effluent flow meter	5			
<b>Kaiwaka</b>				
Various projects generated from 2013/14 Condition Assessment	12	2		
Pond curtain			45	
<b>Mangawhai</b>				
Disposal system improvements and expansion	280	40	42	45
Disposal system improvements and expansion *		280		
Reticulation extension	143			
Effluent discharge options		445		
<b>Maungaturoto</b>				
Upgrade telemetry	10			
Pipe renewal	50	26		22
Upgrade telemetry	40			
Treatment plant renewal	40		53	
Pump station storage				36
<b>Te Kopuru</b>				
Discharge monitoring mechanism	10			
Minor safety improvements		2	2	
<b>Total</b>	<b>1,110</b>	<b>1,474</b>	<b>589</b>	<b>561</b>

\* Carried forward prior year

## Sewerage and Treatment and Disposal of Sewage - Performance Measures (Measures 1-4 are statutory requirements)

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>1 System and adequacy</b> <i>Legal compliance with all Resource Consents for discharges into the environment from Council systems. The exception, provided for in the consent, is severe weather events and power failure.</i>						
<b>Measured by</b>						
The number of dry weather sewerage overflows from Council's sewerage systems, expressed per 1,000 sewerage connections to that sewerage system. The Resource Consent provides for severe weather events and power failure exceptions.	New measure from 2015/2016	New measure from 2015/2016	0	0	0	0
<b>2 Discharge compliance</b> <i>Compliance with the Council's Resource Consents for discharge from its sewerage system.</i>						
<b>Measured by</b>						
The number of abatement notices received by the Council in relation to its Resource Consents for discharge from its sewerage system.	New measure from 2015/2016	New measure from 2015/2016	0	0	0	0
The number of infringement notices received by the Council in relation to its Resource Consents for discharge from its sewerage system.	New measure from 2015/2016	New measure from 2015/2016	0	0	0	0
The number of enforcement orders received by the Council in relation to its Resource Consents for discharge from its sewerage system.	New measure from 2015/2016	New measure from 2015/2016	0	0	0	0

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
The number of convictions received by the Council in relation to its Resource Consents for discharge from its sewerage system.	New measure from 2015/2016	New measure from 2015/2016	0	0	0	0
<b>3 Fault response times</b> <i>Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system.</i>						
<b>Measured by</b>						
<i>Attendance time:</i> from the time that the Council receives notification to the time that service personnel reach the site.	New measure from 2015/2016	New measure from 2015/2016	1 hour	1 hour	1 hour	1 hour
<i>Resolution time:</i> from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	New measure from 2015/2016	New measure from 2015/2016	4 hours for minor blockages  3 days for significant blockages	4 hours for minor blockages  3 days for significant blockages	4 hours for minor blockages  3 days for significant blockages	4 hours for minor blockages  3 days for significant blockages
<b>4 Customer satisfaction</b> <i>The total number of sewerage system complaints received by the Council.</i>						
<b>Measured by</b>						
The total number of complaints received by the Council about sewage odour. Expressed per 1,000 sewerage connections to that sewerage system.	New measures from 2015/2016	New measures from 2015/2016	16	16	16	16

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
The total number of complaints received by the Council about sewerage system faults. Expressed per 1,000 sewerage connections to that sewerage system.	New measures from 2015/2016	New measures from 2015/2016	16	16	16	16
The total number of complaints received by the Council about sewerage system blockages. Expressed per 1,000 sewerage connections to that sewerage system.	New measures from 2015/2016	New measures from 2015/2016	15	15	15	15
Council's response time to complaints regarding its sewerage system.	New measures from 2015/2016	New measures from 2015/2016	1 hour	1 hour	1 hour	1 hour

### **Sewerage and the Treatment and Disposal of Sewage – Significant Negative Effects**

- Possible negative effects of this activity could include system failure or pipeline breakages that result in contamination of public waterways which results in an environmental or public health risk. Overflows of sewerage to waterways during heavy rainfall events may also be a negative effect. Council's Wastewater Asset Management Plan describes its wastewater assets and details the practices used to manage those assets which helps to reduce possible negative effects and risks;
- Overflows from the wastewater pumping stations to river/water bodies may result in the Northland Regional Council issuing an infringement notice;
- Council has installed a warning system at critical wastewater pumping stations to warn its operations staff before they overflow; and
- Failure of wastewater treatment plant in meeting the resource consent parameters may result in the Northland Regional Council issuing an infringement notice. Council measures performance of its wastewater treatment plants on a regular basis to monitor the treatment processes and ensuring compliance with the resource consents.

## Stormwater Drainage

### What We Want To See

- To ensure that stormwater flooding and discharge to the environment is contained and managed to minimise impacts on people, property and the environment.

### Why We Do It

- To protect people, dwellings, private property and public areas from flooding by removing stormwater;
- To discharge stormwater and collect contaminants in a manner that protects the environment and public health; and
- Council's approach to stormwater management is to minimise the impact on built environments by reducing adverse effects from stormwater runoff on the environment. The stormwater network is subjected to high intensity rainfall events.

### Activity Description - *What We Do*

- Kaipara District Council operates five community stormwater drainage schemes for Dargaville, Baylys, Te Kopuru, Kaiwaka and Mangawhai in order to protect people, dwellings, private property and public areas from flooding by removing stormwater and to discharge stormwater and collect contaminants in a manner that protects the environment and public health; and
- Stormwater drainage systems predominantly incorporated into the Roads network are provided in Glinks Gully, Kellys Bay, Pahi, Whakapirau, Tinopai, Paparoa and Matakohē.

### The Level of Service

- To provide stormwater drainage systems in urban areas with the capacity to drain water from normal rainfall events and cope with a 1 in 10 year rain event;
- Where stormwater drainage systems exist, to comply with Resource Consent conditions; and
- Services to customers from the five community drainage schemes will be reliable and dependable.

**Note:** It is to be noted that the Council does not manage stormwater drainage on State Highways. Stormwater drainage management does not include floodwaters from rivers or land drainage.

### **Service Level Issues**

- Communities, and therefore Council cannot afford to pipe any more open drains; and
- The stormwater assets are in generally good shape with the exception of the piped network for the older schemes, which are nearing the end of their effective lives and need renewal. The cost of renewing these assets will be high and need to be done in a planned and affordable manner. Some communities, services by old schemes, may find the renewals required unaffordable.

### **Service Level Risks**

- Resource Consent renewals may set conditions to achieve higher quality of discharge to the receiving environment; and
- Spring tides and storm events when they occur at the same time will have flooding effects on Dargaville and Ruawai, even if for short periods.

### **Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature. The challenges to living being "easy" in the Kaipara are affordability, and protecting productive land; and
- Managing stormwater in urban areas retains the usability of the land. Having low service levels, while not always popular, maintains affordability.

### **Funding Source and Rationale**

#### ***Funding:***

- Targeted rates provide 88% of the funding. The remainder comes from the district-wide general rate. Because of issues of affordability, Council is considering increasing the component funded from the general rates to 20%.

#### ***Rationale:***

- Those that are benefiting from stormwater drainage services (mainly urban areas) are being charged for them. However, all residents and businesses benefit from our urban areas being serviced. A district-wide contribution is fair.



## Stormwater Drainage - Improvement Programme 2015/2025

<b>Year 1</b> <b>Planned improvement/ change</b> <b>2015/2016</b>	<b>CAPEX Improvement</b> <table><tr><td><b>Project</b></td><td><b>Cost estimate</b></td></tr><tr><td></td><td><b>\$</b></td></tr><tr><td>Dargaville: Renewal</td><td>250,000</td></tr><tr><td>Baylys: Renewal</td><td>20,000</td></tr><tr><td>Mangawhai: Renewals and consent related projects + Estuary Drive pond + growth</td><td>97,500</td></tr><tr><td><b>Total</b></td><td><b>\$367,500</b></td></tr></table> <b>OPEX Improvement</b> – (as per Asset Management Improvement Programme Three Waters) <table><tr><td><b>Project</b></td><td><b>Cost estimate</b></td></tr><tr><td></td><td><b>\$</b></td></tr><tr><td>Development of Stormwater Management Plans</td><td>65,000</td></tr><tr><td>Improvement of Asset Information System (AssetFinda)</td><td>22,000</td></tr><tr><td>Stormwater/Flood models</td><td>30,000</td></tr><tr><td><b>Total</b></td><td><b>\$117,000</b></td></tr></table>	<b>Project</b>	<b>Cost estimate</b>		<b>\$</b>	Dargaville: Renewal	250,000	Baylys: Renewal	20,000	Mangawhai: Renewals and consent related projects + Estuary Drive pond + growth	97,500	<b>Total</b>	<b>\$367,500</b>	<b>Project</b>	<b>Cost estimate</b>		<b>\$</b>	Development of Stormwater Management Plans	65,000	Improvement of Asset Information System (AssetFinda)	22,000	Stormwater/Flood models	30,000	<b>Total</b>	<b>\$117,000</b>
<b>Project</b>	<b>Cost estimate</b>																								
	<b>\$</b>																								
Dargaville: Renewal	250,000																								
Baylys: Renewal	20,000																								
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<b>Project</b>	<b>Cost estimate</b>																								
	<b>\$</b>																								
Development of Stormwater Management Plans	65,000																								
Improvement of Asset Information System (AssetFinda)	22,000																								
Stormwater/Flood models	30,000																								
<b>Total</b>	<b>\$117,000</b>																								
<b>Year 2</b> <b>Planned improvement/ change</b> <b>2016/2017</b>	<b>CAPEX Improvement</b> – will be updated for the Annual Plan 2016/2017 <table><tr><td><b>Project</b></td><td><b>Cost estimate</b></td></tr><tr><td></td><td><b>\$</b></td></tr><tr><td>Dargaville: All asset group renewals</td><td>50,000</td></tr><tr><td>Baylys: All asset group renewals</td><td>10,000</td></tr><tr><td>Mangawhai: Renewals + growth</td><td>47,500</td></tr><tr><td><b>Total</b></td><td><b>\$107,500</b></td></tr></table>	<b>Project</b>	<b>Cost estimate</b>		<b>\$</b>	Dargaville: All asset group renewals	50,000	Baylys: All asset group renewals	10,000	Mangawhai: Renewals + growth	47,500	<b>Total</b>	<b>\$107,500</b>												
<b>Project</b>	<b>Cost estimate</b>																								
	<b>\$</b>																								
Dargaville: All asset group renewals	50,000																								
Baylys: All asset group renewals	10,000																								
Mangawhai: Renewals + growth	47,500																								
<b>Total</b>	<b>\$107,500</b>																								

<b>Year 3</b> <b>Planned improvement/ change</b> <b>2017/2018</b>	<b>CAPEX Improvement – will be updated for the Annual Plan 2017/2018</b>							
	<b>Project</b>				<b>Cost estimate</b>			
					<b>\$</b>			
	Dargaville: All asset group renewals				250,000			
	Baylys: All asset group renewals				20,000			
	Mangawhai: Renewals + growth				87,500			
	<b>Total</b>				<b>\$357,500</b>			
<b>Years 4-10</b> <b>Planned improvement /change</b> <b>2018/2025</b>	<b>Stormwater</b>							
	<b>Capital Expenditure</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	Baylys	10,000	20,000	20,000	20,000	20,000	20,000	20,000
	Dargaville	64,000	264,000	264,000	314,000	314,000	439,000	489,000
	Kaiwaka	-	-	-	-	-	-	-
	Te Kopuru							
	Mangawhai	87,500	112,500	137,500	137,500	137,500	162,500	187,500

## Stormwater Drainage - Funding Impact Statement – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	124	171	165	193	184	207	217	223	225	225	223
Targeted rates (other than a targeted rate for water supply)	1,078	1,186	1,094	1,320	1,223	1,392	1,440	1,447	1,446	1,438	1,464
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>1,202</b>	<b>1,357</b>	<b>1,259</b>	<b>1,513</b>	<b>1,407</b>	<b>1,599</b>	<b>1,657</b>	<b>1,670</b>	<b>1,671</b>	<b>1,663</b>	<b>1,687</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	538	417	421	433	446	460	475	491	509	528	549
Finance Costs	276	246	247	229	212	191	172	153	139	121	105
Internal charges and overheads applied	161	179	182	186	192	197	204	210	217	225	233
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>975</b>	<b>842</b>	<b>850</b>	<b>848</b>	<b>850</b>	<b>848</b>	<b>851</b>	<b>854</b>	<b>865</b>	<b>874</b>	<b>887</b>
<b>Surplus (deficit) of operating funding</b>	<b>227</b>	<b>515</b>	<b>409</b>	<b>665</b>	<b>557</b>	<b>751</b>	<b>806</b>	<b>816</b>	<b>806</b>	<b>789</b>	<b>800</b>

## Stormwater Drainage - Funding Impact Statement – Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	13	14	16	15	17	19	21	24	27	31	34
Increase (decrease) in debt	304	39	-315	-314	-348	-338	-345	-266	-331	-294	-283
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>317</b>	<b>53</b>	<b>-299</b>	<b>-299</b>	<b>-331</b>	<b>-319</b>	<b>-324</b>	<b>-242</b>	<b>-304</b>	<b>-263</b>	<b>-249</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	51	82	39	40	55	57	59	61	63	66	69
Capital Expenditure											
- to improve the level of service	406	259	10	0	2	2	2	2	2	2	2
Capital Expenditure											
- to replace existing assets	87	345	62	342	121	393	436	514	597	753	888
Increase (decrease) in reserves	0	-118	-1	-16	48	-20	-15	-3	-160	-295	-408
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>544</b>	<b>568</b>	<b>110</b>	<b>366</b>	<b>226</b>	<b>432</b>	<b>482</b>	<b>574</b>	<b>502</b>	<b>526</b>	<b>551</b>
<b>Surplus (deficit) of capital funding</b>	<b>-227</b>	<b>-515</b>	<b>-409</b>	<b>-665</b>	<b>-557</b>	<b>-751</b>	<b>-806</b>	<b>-816</b>	<b>-806</b>	<b>-789</b>	<b>-800</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Stormwater Drainage - Capital Expenditure Programme

For the period commencing:	Annual Plan	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018
	\$'000	\$'000	\$'000	\$'000
<b>Dargaville</b>				
Pipeline connections - Colville Road, Liverpool and Logan Streets	40			
Pipeline renewal - Ranfurly, Portland and Parore Streets	50			
Pipeline renewal - Murdoch Street	60			
Pipeline renewal - Murdoch Street *		50		
Pipe open drain - Colville Road	20			
Pipeline renewal - Various		249	51	265
Various projects generated from 2013/14 Condition Assessment	41			
<b>Baylys</b>				
Replacement of culvert	10			
Pipe open drain	34			
Various renewals		20	11	22
<b>Mangawhai</b>				
Stormwater improvement - Estuary Drive	169	35		
Stormwater improvement - Estuary Drive *		169		
Mangawhai resource consent project	100	38	39	40
Mangawhai resource consent project *		100		
Renewals		25	10	55
<b>Kaiwaka</b>				
Various projects generated from 2013/14 Condition Assessment	20			
<b>Total</b>	<b>544</b>	<b>686</b>	<b>111</b>	<b>382</b>

## Stormwater Drainage - Performance Measures

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>System Adequacy</b> <i>To provide stormwater drainage systems in urban areas with the capacity to drain water from normal rainfall events and cope with a 1 in 10 year rain event.</i>						
<b>Measured by</b>						
The number of flooding events that occur in Kaipara District.	New measures from 2015/2016	New measures from 2015/2016	2	2	2	2
For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to the Council's stormwater system.)	New measures from 2015/2016	New measures from 2015/2016	10	10	10	10
<b>Discharge Compliance</b> <i>Compliance with the Council's resource consents for discharge from its stormwater system.</i>						
<b>Measured by</b>						
The number of abatement notices received by the Council in relation those Resource Consents.	New measures from 2015/2016	New measures from 2015/2016	0	0	0	0
The number of infringement notices received by the Council in relation those Resource Consents.	New measures from 2015/2016	New measures from 2015/2016	0	0	0	0
The number of enforcement orders received by the Council in relation those Resource Consents.	New measures from 2015/2016	New measures from 2015/2016	0	0	0	0
The number of convictions received by the Council in relation those Resource Consents.	New measures from 2015/2016	New measures from 2015/2016	0	0	0	0

Performance indicator/service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Response Times</b> <i>The median response time to attend to a flooding event.</i>						
<b>Measured by</b>						
The time from when Council receives notification to the time that service personnel reach the site.	New measure from 2015/2016	New measure from 2015/2016	2 hours for urgent events	2 hours for urgent events	2 hours for urgent events	2 hours for urgent events
<b>Customer Satisfaction</b> <i>The total number of stormwater system complaints received by the Council.</i>						
<b>Measured by</b>						
The number of complaints received by Council about the performance of its stormwater system, expressed per year.	New measure from 2015/2016	New measure from 2015/2016	18	18	18	18

### Stormwater Drainage – Significant Negative Effects

- The greatest significant negative effect occurs when high levels of stormwater enter the wastewater reticulation. When this happens the wastewater system can be overloaded, requiring wastewater to be directly discharged into the river to deal with the overload. To respond to this issue, parts of Dargaville have been investigated and a number of issues confirmed which need to be rectified to reduce the stormwater infiltration into the wastewater network. Repairs to both the public stormwater system and privately owned stormwater pipes and gully traps still need to be completed;
- Significant storm events overload the stormwater networks which may result in flooding of habitable dwellings and non-habitable buildings, and flooding of the low-lying portions of the road network causing temporary disruptions; and
- A further negative effect is the amount of gross pollutants (bottles, plastics, rubbish, hydrocarbons and various other pollutants) discharged into the natural receiving environment from the stormwater system

## Water Supply

### What We Want To See

- To ensure that our communities are provided with reliable and sustainable potable water supplies.

### Why We Do It

- To provide a constant, adequate, sustainable and high quality water supply to Kaipara's reticulated areas;
- Clean, safe water is essential for communities and local economic development; and
- Public water supplies ensure communities receive water at the cost of production.

### Activity Description - *What We Do*

The Kaipara District Council operates four community water supply schemes for Dargaville (including Baylys), Glinks Gully, Ruawai, and Maungaturoto. These schemes are for the purpose of providing these communities with a constant, adequate and sustainable potable water supply. There is also a small scheme in Mangawhai.

The Council owns and maintains the water supply network. The Water Supply Activity covering:

- Collection of raw water;
- Treatment of raw water to produce suitable quality and quantities of drinking water; and
- Distribution of treated water to the point of supply to the customer, to consistently meet specific flow, pressure and quality standards. This includes water required for emergency fire-fighting services for urban area in Dargaville.

Council's Water Supply Activity also includes other responsibilities and through their professional and physical works contracts, Council undertakes the following:

- Asset Management;
- Customer Services;
- Treatment Plant Operation and Maintenance;
- Network Operations and Maintenance;
- Capital and Refurbishment Programme;



- Water Billing; and
- Consent Monitoring and Compliance.

### **The Level of Service**

The supply of water is discretionary and defined by historic circumstances specific to the communities that comprise the District. The preferred policy is that except where current systems supply to urban communities, households should expect to provide their own water supply through harvesting of water.

The level of service for water supply is:

- Council will continue to provide water as is currently supplied within the District;
- The Council will provide water to Drinking-water Standards for New Zealand 2005 (NZDWS) over the authorised timeframe;
- Fault response time to outages will make up less than 1% of supply time;
- The Council will not extend its reticulation areas within the District to include new residential areas;
- Where there are proposals for new commercial and industrial areas, the Council will consider supporting that economic development through the water supply as part of a rezoning proposal, on a cost-recovery basis;
- The Council will comply with Resource Consents in respect of water takes;
- Services to customers from the four community water supply schemes will be reliable and dependable; and
- Council will actively manage minimisation of water losses.

### **Service Level Issues**

- The water supply asset is in generally good shape with the exception of the network of pipes for the older schemes, which are nearing the end of their effective lives and need renewal. The cost of renewing these assets will be high and need to be done in a planned and affordable manner. Some small communities, serviced by old schemes, and the small Mangawhai scheme may find the renewals required unaffordable;
- The service levels as described will be applied to Dargaville and Baylys, Maungaturoto, and Ruawai schemes. There is a six year programme to gain better knowledge of the pipe assets that will enable a long term renewal programme to be confirmed. Meanwhile, these schemes will be kept in good working order; and
- The small schemes of Glinks Gully and Mangawhai will be reviewed over the next three years, when a decision on the future of these schemes will be made. Meanwhile, these schemes will receive operational and response maintenance only. They will not be upgraded to drinking water standards within the review period.

Other service level issues include:

- A number of properties access raw water from takes in Dargaville, Maungaturoto and Mangawhai before it is treated to potable standard;
- The Council does not consistently comply with all Resource Consent conditions for water takes;
- Water taken from one of the sources for the Dargaville supply has no consents; and
- Security of supply for Dargaville is challenging during dry years. A pipeline from the Waiatua Dam at a cost of \$2.8 million would solve this (pencilled in for years 2016 onwards), but the Dargaville community may find it unaffordable.

### **Service Level Risks**

- The taking of raw water and Council charging for it is a risk, as it does not comply with NZDWS and Council would be liable for health issues should they arise;
- Ministry of Health may take legal action against Council if compliance with NZDWS is delayed (as planned for Glinks Gully and Mangawhai schemes);
- Dargaville water supply has drought risks;
- The renewals programme is currently based on affordability, rather than condition;
- Asset knowledge (mainly pipes) is mixed. This, and the above mean that Council runs some risks of asset failure; and
- The Maungaturoto Scheme is experienced as expensive by older residents of the community. The scheme was mainly supplied to service Fonterra.

### **Contribution to Community Outcomes**

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business here, easy to join in and easy to enjoy nature;
- Water supply services provided by Council support industry. For example, Council services are central to Silverfern Farms in Dargaville and Fonterra in Maungaturoto;
- Working within our consents ensures that the service does not impact negatively on the environment; and
- The challenge is to maintain the services at an affordable cost. Affordability is the biggest barrier for people maintaining a sense of belonging and being able to join in with communities.

## Funding Source and Rationale

### *Funding:*

- Water supply to be funded by targeted rates on the communities who receive the service, and some volumetric charges.

### *Rationale:*

- Water rates are set to reflect the cost of services and residents are charged on the amount of water used and this is reflected in targeted rates.

## Water Supply - Improvement Programme 2015/2025

<p><b>Year 1</b></p> <p><b>Planned improvement/change</b></p> <p><b>2015/2016</b></p>	<p><b>Capex Improvement</b></p> <p>Dargaville: Renewals + manage existing water source and consents + water take consent compliance and NZDWS compliance + LOS Backlog</p> <p>Maungaturoto: Renewals + NZDWS compliance and water take consent compliance projects</p> <p>Ruawai: Renewal + NZDWS compliance</p> <p>Mangawhai: Water take consent compliance</p> <p>Glinks Gully: Water take consent compliance</p> <hr/> <p><b>Opex improvements</b></p> <p>Condition Assessment of Water Supply – continuation</p> <p>Improvement of Asset Information System (AssetFinda)</p> <p>Hydraulic Modelling Water Supply</p>
<p><b>Year 2</b></p> <p><b>Planned improvement/change</b></p> <p><b>2016/2017</b></p>	<p><b>CAPEX Improvement</b></p> <p>Dargaville: Renewals + Water take consent compliance and NZDWS compliance</p> <p>Maungaturoto: Renewals + NZDWS compliance and Water take consent compliance</p> <p>Ruawai: Renewal + NZDWS compliance</p> <p>Mangawhai: Water take consent compliance</p> <p>Glinks Gully: Water take consent compliance</p>

<b>Year 3</b> <b>Planned improvement/change</b> <b>2017/2018</b>	<b>CAPEX Improvement</b> Dargaville: Renewals + Water take consent compliance and NZDWS compliance Maungaturoto: Renewal + NZDWS compliance and water take consent compliance Ruawai: Renewal + NZDWS compliance Mangawhai: Water take consent compliance Glinks Gully: Water take consent compliance
<b>Years 4-10</b> <b>Planned improvement/change</b> <b>2018/2025</b>	Capital expenditure budgets are planned but the exact nature of the improvement projects is yet to be decided.

## Water Supply - Funding Impact Statement – Operating

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating funding</b>											
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rate penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	2,851	3,173	2,940	2,885	2,995	3,068	3,190	3,481	3,622	3,716	3,894
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	12	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding</b>	<b>2,863</b>	<b>3,173</b>	<b>2,940</b>	<b>2,885</b>	<b>2,995</b>	<b>3,068</b>	<b>3,190</b>	<b>3,481</b>	<b>3,622</b>	<b>3,716</b>	<b>3,894</b>
<b>Application of operating funding</b>											
Payments to staff and suppliers	1,120	1,059	812	745	797	778	805	884	867	902	995
Finance Costs	332	320	335	315	296	295	301	325	370	347	323
Internal charges and overheads applied	369	516	465	456	475	478	492	519	525	543	575
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,821</b>	<b>1,895</b>	<b>1,612</b>	<b>1,516</b>	<b>1,568</b>	<b>1,551</b>	<b>1,598</b>	<b>1,728</b>	<b>1,762</b>	<b>1,792</b>	<b>1,893</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,042</b>	<b>1,278</b>	<b>1,328</b>	<b>1,369</b>	<b>1,427</b>	<b>1,517</b>	<b>1,592</b>	<b>1,753</b>	<b>1,860</b>	<b>1,924</b>	<b>2,001</b>

## Water Supply - Funding Impact Statement – Capital

For the period commencing:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital funding</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	37	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	296	269	-334	-353	-1	88	433	833	-411	-416	-430
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum Contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>333</b>	<b>269</b>	<b>-334</b>	<b>-353</b>	<b>-1</b>	<b>88</b>	<b>433</b>	<b>833</b>	<b>-411</b>	<b>-416</b>	<b>-430</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
- to meet additional demand	148	9	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to improve the level of service	0	495	13	11	80	14	15	15	16	17	17
Capital Expenditure											
- to replace existing assets	1,227	1,064	976	995	1,346	1,561	1,970	2,544	2,844	3,222	3,681
Increase (decrease) in reserves	0	-21	5	10	0	30	40	27	-1,411	-1,731	-2,127
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding</b>	<b>1,375</b>	<b>1,547</b>	<b>994</b>	<b>1,016</b>	<b>1,426</b>	<b>1,605</b>	<b>2,025</b>	<b>2,586</b>	<b>1,449</b>	<b>1,508</b>	<b>1,571</b>
<b>Surplus (deficit) of capital funding</b>	<b>-1,042</b>	<b>-1,278</b>	<b>-1,328</b>	<b>-1,369</b>	<b>-1,427</b>	<b>-1,517</b>	<b>-1,592</b>	<b>-1,753</b>	<b>-1,860</b>	<b>-1,924</b>	<b>-2,001</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Water Supply - Capital Expenditure Programme

For the period commencing:	Annual Plan	Budget	Budget	Budget
1 July	2014-2015	2015-2016	2016-2017	2017-2018
	\$'000	\$'000	\$'000	\$'000
<b>Dargaville</b>				
Raw water pipe bridge - Parore Street	59			
Protection of raw water main - Rotu Stream	49	50		
Replace pipe bridges - Awakino Point and Baylys Coast Road	59			
Pipe Renewals	315	753	781	790
Pipe Renewals Gordon/Ranfurlly Streets *		90		
Manage ex water source and Ahikiwi		212		
Waiatua Dam Improvements	49	50		
Mamaranui pump	19	20		
Automate shut-off valve Water Treatment Plant	29	30		
Gated weir across Kaihu River or Waiatua Stream	59	60		
Water meter renewal	20			
<b>Glinks Gully</b>				
Minor replacement projects	1	1	2	2
<b>Mangawhai</b>				
Water Treatment Plant Upgrade	31	2	2	2
Water Treatment Plant Upgrade *		30		
<b>Maungaturoto</b>				
Upgrade telemetry	50			
Watermain upgrades	265	160	161	167
Renewal of Railway Village pipeline and bulk meters	100			
Water take improvements		68		
State Highway 12 Relocation Maungaturoto Town water main	60			
<b>Ruawai</b>				
Replace 1.2km of piping to meet fire flow requirements	190	42	43	45
Upgrade telemetry	20			
<b>Total</b>	<b>1,375</b>	<b>1,568</b>	<b>989</b>	<b>1,006</b>

\* Carried forward prior year

## Water Supply - Performance Measures

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b><i>Safety of drinking water in accordance with NZDWS 2005 (2008)</i></b>						
<b>Measured by</b>						
The extent to which Council's drinking water supply complies with part 4 of the NZDWS (bacteria compliance criteria).	New measure from 2015/2016	New measure from 2015/2016	Dargaville Maungaturoto Ruawai	Dargaville Maungaturoto Ruawai	Dargaville Maungaturoto Ruawai	Dargaville Maungaturoto Ruawai
The extent to which Council's drinking water supplies complies part 5 of the NZDWS (protozoal compliance criteria).	New measure from 2015/2016	New measure from 2015/2016	Dargaville Maungaturoto Ruawai	Dargaville Maungaturoto Ruawai	Dargaville Maungaturoto Ruawai	Dargaville Maungaturoto Ruawai
<b><i>Maintenance of the reticulation network.</i></b>						
<b>Measured by</b>						
<p>The percentage of real water loss from Council's networked reticulation system.</p> <p>Source: Water Balance and Review for Kaipara District Council dated January 2013.</p> <p><b>Note:</b> Nationally adopted practices for calculating a water balance (this includes the Infrastructure Leakage Index) have been used in this exercise.</p>	New measure from 2015/2016	New measure from 2015/2016	Dargaville 28% Maungaturoto 33% Ruawai 33% Mangawhai 65%	Dargaville 25% Maungaturoto 30% Ruawai 30% Mangawhai 30%	Dargaville 20% Maungaturoto 25% Ruawai 25% Mangawhai 25%	Dargaville 20% Maungaturoto 25% Ruawai 25% Mangawhai 25%



Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b><i>Fault response times</i></b>						
<b><i>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system.</i></b>						
<b>Measured by</b>						
The median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	New measure from 2015/2016	New measure from 2015/2016	1 hour	1 hour	1 hour	1 hour
The median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	New measure from 2015/2016	New measure from 2015/2016	2 hours	2 hours	2 hours	2 hours
The median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	New measure from 2015/2016	New measure from 2015/2016	2 hours	2 hours	2 hours	2 hours
The median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	New measure from 2015/2016	New measure from 2015/2016	3 days	3 days	3 days	3 days

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
<b>Customer Satisfaction</b>						
<i>The total number of water supply complaints received by the Council.</i>						
<b>Measured by</b>						
The total number of complaints for the District received by Council about drinking water clarity.	New measure from 2015/2016	New measure from 2015/2016	5	5	5	5
The total number of complaints for the District received by Council about drinking water taste.	New measure from 2015/2016	New measure from 2015/2016	6	6	6	6
The total number of complaints for the District received by Council about drinking water odour.	New measure from 2015/2016	New measure from 2015/2016	4	4	4	4
The total number of complaints for the District received by Council about drinking water pressure or flow.	New measure from 2015/2016	New measure from 2015/2016	18	18	18	18
The total number of complaints for the District received by Council about continuity of supply.	New measure from 2015/2016	New measure from 2015/2016	8	8	8	8
Council's response time to complaints regarding Council's water supply clarity, taste, odour, pressure and continuity of supply.	New measure from 2015/2016	New measure from 2015/2016	<24 hours	<24 hours	<24 hours	<24 hours
<b>Demand Management</b>						
<b>Measured by</b>						
The average consumption of drinking water per day per resident within Kaipara District = Billed Metered Consumption (m <sup>3</sup> ) x 1000 Number of connections x 365 x 2.5 (Occupancy rate).	New measure from 2015/2016	New measure from 2015/2016	Dargaville 275 Maungaturoto 340 Ruawai 130 Glinks Gully 52 Mangawhai 230	Dargaville 275 Maungaturoto 340 Ruawai 130 Glinks Gully 52 Mangawhai 230	Dargaville 275 Maungaturoto 340 Ruawai 130 Glinks Gully 52 Mangawhai 230	Dargaville 275 Maungaturoto 340 Ruawai 130 Glinks Gully 52 Mangawhai 230

Performance indicator/ service level	Annual Report 2013/2014	Annual Plan 2014/2015	LTP Year 1 Target 2015/2016	LTP Year 2 Target 2016/2017	LTP Year 3 Target 2017/2018	LTP Years 4-10 Target 2018/2025
Water Take Consents.	New measure from 2015/2016	New measure from 2015/2016	100% compliance with Northland Regional Council Water Take Consents	100% compliance with Northland Regional Council Water Take Consents	100% compliance with Northland Regional Council Water Take Consents	100% compliance with Northland Regional Council Water Take Consents

### Water Supply – Significant Negative Effects

- Possible negative effects of this activity could include water treatment system failure that could affect dialysis patients or the flooding of property due to a breakage in the pipeline. Council's contractors have a list of patients on dialysis and notify them immediately of any outages, supplying them with water if needed. Breaks in the lines are unpredictable however Council has an alarm activation system that triggers any change to the plant and a 24 hour service to repair faults. Council's Water Asset Management Plan describes its water assets and details the practices used to manage those assets which helps to reduce possible negative effects and risks;
- Potential negative effect is the supply of non-compliance Drinking Water to the community. The non-compliance can occur at the water treatment plant or within the water network. Council has stringent water monitoring and testing regimes to control and supply community with compliant drinking water; and
- Council mitigates these potential negative effects by a mix of asset management planning activities including:
  - Asset development work
  - Monitoring and testing
  - Demand management initiatives
  - Public education, including water conservation programmes.

## Glossary

Term	Definition
<b>Absentee Ratepayer</b>	Person/s who own property in the District but lives outside of the District for most of the year. The Council refers to these property owners as absentee ratepayers.
<b>Activity</b>	Goods or Services provided by or on behalf of the Council.
<b>Additional Capacity</b>	The proportion of infrastructural capacity provided through the Council's capital works programme that is available to service growth and development.
<b>Amortising</b>	Allocating the cost of an asset, or its re-valued amount, over the periods in which the benefits are expected to be derived. Intangible assets are amortised; tangible ones are depreciated.
<b>Annual Plan</b>	Contains the Council's proposed budget and funding impact statement for one financial year. Identifies any variation from the financial statements and funding impact statement.
<b>Annual Report</b>	A report that Council prepares once a year to assess performance against its objectives, activities, performance targets and budgets outlined in the Long Term Plan or Annual Plan.
<b>Asset</b>	A resource of economic value controlled by Council, such as a park, road, stormwater system, water supply or wastewater plant.
<b>Assumption</b>	A statement that is used as the basis for making particular predictions of outcomes that may or may not occur.
<b>Business and Economic Research Limited (BERL)</b>	An organisation that provides analysis across a wide range of fields to the public and private sectors, including economic forecasting.
<b>Biodiversity</b>	The variety of life in a particular habitat or ecosystem including the totality of genes, species, and ecosystems.
<b>Capital Expenditure</b>	Money spent to build or buy a new asset or to improve the standard of an existing asset.
<b>Community</b>	A network of people and organisations linked together by factors such as place (geographical community), common interest or identity (e.g. hapu, voluntary organisation) or administrative community (e.g. the District).
<b>Community Outcomes</b>	The outcomes the Council aims to achieve to promote community well-being in the District now and in the future.

<b>Community Well-being</b>	The overall well-being of the community including economic, cultural, social and environmental well-being.
<b>Consumer Price Index (CPI)</b>	An index by Statistics New Zealand which records changes to the prices of consumer items bought by New Zealand households, giving a measure of inflation. The CPI measures price changes for food, housing, personal and health care, recreation and education, transportation, tobacco and alcohol, credit services, household operation and apparel.
<b>Depreciation</b>	The charge representing consumption or use of an asset, assessed by spreading the asset's value over its estimated economic life. Depreciation includes amortisation of intangible assets unless otherwise stated.
<b>Development Contributions</b>	A revenue contribution from property developers to cover the cost of servicing growth resulting from development activity. Further glossary terms on Development Contributions can be found within the Policy document located in Part Two of the Long Term Plan.
<b>District Plan</b>	A detailed plan of the way the District's environment will be managed to achieve the purpose and principles of the Resource Management Act 1991.
<b>Dwelling Unit</b>	Any building, part of a building or group of buildings used or intended to be used principally for residential purposes and occupied or intended to be occupied by not more than one household.
<b>Equity</b>	As a financial term, also known as net worth. The total value of assets less total liabilities.
<b>Financial Strategy</b>	A strategy covering the period of the Long Term Plan to assist the Council in its prudent financial management and to provide information on the overall effects of its funding and expenditure proposals.
<b>Fixed Charge</b>	A charge that is applied equally to all contributors i.e. all those who must pay are charged the same base amount.
<b>Funding Impact Statement</b>	A document that includes information that discloses revenue and financing mechanisms and indicates the level or amount of funds to be produced by each mechanism.
<b>General rate</b>	A rate assessed across all rating units in the District based on a land valuation system that is applied to fund services considered to provide benefits District-wide.
<b>Groups of Activities</b>	Goods or services provided by, or on behalf of, a Council including facilities and amenities, the performance of regulatory and other governmental functions.
<b>Intergenerational Equity</b>	A concept of achieving fairness between customers over time by ensuring that current ratepayers and future ratepayers each contribute to the cost of the assets they benefit from.

<b>Internal Borrowing</b>	The temporary use of Council funds for a different purpose from that for which they were received. The funds will be repaid at a later stage to enable them to be used for their original purpose.
<b>Investment Policy</b>	A document that states Council's policies in respect to investments.
<b>Levels of Service</b>	The service parameters or requirements for a particular activity. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.
<b>Liability Management Policy</b>	A document that states Council's policies concerning the management of both borrowing and other liabilities.
<b>Local Authority</b>	A regional, district or city council.
<b>Local Government Act 2002 (LGA)</b>	Refers to the Local Government Act 2002 that defines the powers and responsibilities of local authorities.
<b>Local Government (Rating) Act 2002 (LGRA)</b>	Defines how local authorities can set rates and apply their rating policy.
<b>Local Government Cost Index (LGCI)</b>	A measure of the rate at which the costs to local government of providing services have changed. This provides information about increases in local government costs like the Consumer Price Index provides information about increases in household costs.
<b>Long Term Plan</b>	A Long Term Plan adopted every three years under section 93 of the Local Government Act 2002. It describes Council's activities, why it participates in these activities and how the activities will be funded. It includes information that is regarded as the Annual Plan for the first year to which it relates; and is reported on through the Annual Report.
<b>Mangawhai Community Wastewater Scheme (MCWWS)</b>	The wastewater scheme for Mangawhai. Formerly known as EcoCare.
<b>Drinking-Water Standards New Zealand(NZDWS)</b>	Drinking water standards set by the Ministry of Health.
<b>Operating Expenditure</b>	A category of expenditure that a business incurs as a result of performing its normal operations.
<b>Rates</b>	A charge against the property to help fund services and assets that the Council provides.
<b>Rates Remission</b>	A reduction of rates required by the Council where provided under the Council's Rates Remission Policy.
<b>Rates Postponement</b>	A postponement of the requirements to pay rates where provided under the Council's Rates Postponement Policy.

<b>Rating Unit</b>	One or more parcels or part-parcels of land that are rated as a discrete unit as defined by the Rating Valuations Act 1998.
<b>Revenue and Financing Policy</b>	A comprehensive policy stating how each activity of Council is to be funded – from rates, user charges, subsidies, other income or a combination of these. It also includes details of the various rating mechanisms used by Council.
<b>Segmented Debt Policy</b>	Under this policy Council separated debt associated with large water and wastewater scheme assets, such as the Mangawhai Community Wastewater Scheme, into a separate category that was exempt from its normal 'core' debt borrowing limits.
<b>Significance</b>	The degree of importance attached by Council to an issue, proposal, decision or other matter in terms of its likely impact on the well-being of the District.
<b>Significant Decision</b>	A Council decision that has a high degree of significant importance in terms of economic, social, environmental, or cultural well-being.
<b>Separately Used or Inhabited Part (SUIP)</b>	Separately Used or Inhabited Part of a rating unit includes any portion inhabited or used by a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement. For the purposes of this policy, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.
<b>Special Consultative Procedure</b>	A process required by the Local Government Act 2002. This sets out a series of steps that a local authority must take when consulting on certain types of decisions.
<b>Statutory Requirements</b>	Requirements identified and defined in law.
<b>Targeted Rates</b>	A rate that is charged only to members of particular communities or groups of ratepayers that benefit from the activity being funded by the rate.
<b>Uniform Annual General Charge(UAGC)</b>	A fixed charge rate applied to every separately used part of a rating unit or inhabited rating unit in the District.
<b>Units of Demand</b>	Is a unit of measurement by which the relative demand for an activity, generated by different types of development (existing or proposed), can be assessed. A unit of demand may be expressed as a lot unit of demand or an activity unit demand.

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