

A BRIGHT FUTURE

Now's the time to
have your say


CONSULTATION DOCUMENT
FOR OUR LONG TERM PLAN 2018/2028



Kaipara District Council | Te Kaunihera o Kaipara

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Working together

In October 2016 the Kaipara District returned to elected governance. Your Council now has the opportunity to update its 10 year plan and has the chance to bring real local input into the district's local government. The Long Term Plan forms our commitment to the community, it is the relationship agreement between Council and you the residents. It is important that it is reflective of your aspirations for the community.

Over the last few years Council has been faced with a set of competing and connected challenges. The challenge of maintaining our roading network across a largely unsealed network, the challenge of providing an overarching framework to the rapidly developing Mangawhai Community, the challenge of supporting the desire for growth in our main centre in Dargaville, the challenge of supporting our smaller towns and communities, the challenge of making the organisation fit for purpose and meeting the present and future needs of the Kaipara, all within the fiscal constraints of affordable rates and charges and continuing to reduce the debt burden on the district. As we look forward to Kaipara 2028 it is how we respond to these challenges and more, that will shape the future of our district. You will see in this document the significant issues we are looking at, the options we have considered and how we feel these can best be addressed.

Earlier in our term we spent time reshaping our Vision for Kaipara District Council. That Vision “*Thriving Communities working together*” will be the backbone for our Long Term Plan Process for 2018 to 2028.

When Kaipara returned to elected Councillors in October 2016 we were aware of the need to re-invest in our communities and support the ongoing developments that the many and varied community groups undertake throughout the district.

Six years ago, debt was at its peak of \$83 million, today it sits at around \$54 million (as estimated 30 June 2018). Significant progress has been made on debt repayment and addressing the debt that the district has been facing.

Council has identified a number of key issues, these are:

Roading investment

Mangawhai Community Plan

Forestry targeted rate

Mangawhai Community Wastewater scheme

Sporting facilities

Pensioner housing

Reserves contributions

District planning and growth areas

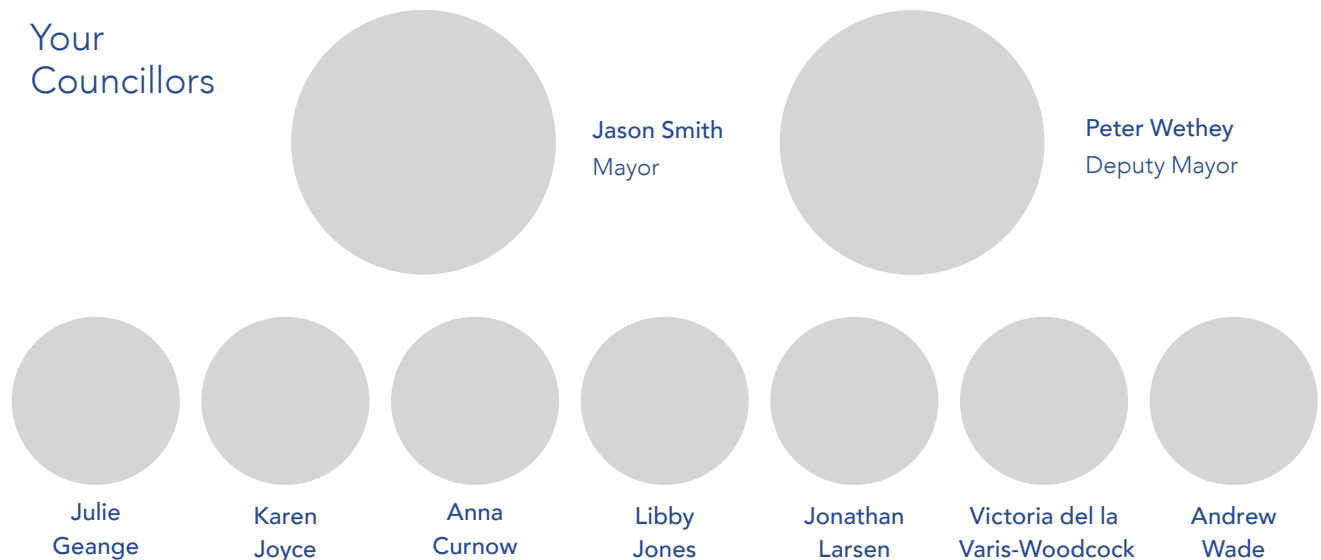
Flood protection

We would also like to hear your thoughts around:

- Walking and cycling and how much we should look to invest implementing our strategy;
- Increasing high speed internet coverage;
- Tourism Promotion;
- Dargaville Hub;
- Increasing the forestry targeted rate;
- Equalising charges across the district for wastewater, stormwater and water supply;
- Utilising the land Council owns at Fagan Place, Mangawhai;
- Council Controlled Organisations; and
- Dargaville Placemaking Opportunities.

The 2018/2028 draft sets in place a pathway to the Kaipara of 2028 a district of Thriving Communities Working Together. A district of which we can all be proud. We are looking forward to hearing your thoughts and opinion on this consultation document.

Your Councillors





What is an LTP?

The Long Term Plan (LTP) sets out Council's financial strategy and position for the next 10 years. It complies with the Local Government Act 2002 (LGA) requirements and processes. The LTP shows how changes in Council activity will have an impact on rates and charges over the period. We are required to develop an LTP every three years to:

- adapt to changes in our circumstances;
- reflect changes from updated information; and
- reflect changes in external factors and to community need.

Council must consider the impact of decisions made now on the future ratepayers and service users. Many of Council's assets will last beyond a 10 year period and Council also produces a 30 year Infrastructure Strategy. Today's Council is responsible for handing over assets for future generations.

In releasing a consultation document Council is providing a platform for public participation in the decision-making. It highlights the decisions before Council, the proposals being considered and how these might impact on the community both as users and payers for these services. This document does not contain every line of Council activity but is

intended to focus on the key areas in front of Council. Throughout this document you may see reference to source documents. These are the supporting pieces of information that Council has adopted while creating the consultation document. We have a webpage dedicated to the supporting information on www.kaipara.govt.nz that might assist you as you read this document.

In putting together this consultation document Council has held a number of public briefings and also received presentations from interested community groups and organisations.

Alongside consultation on the LTP we are also concurrently consulting on:

- fees and charges 2018/2019;
- rates policy;
- revenue and financing policy;
- policy on financial contributions;
- development contributions policy; and
- private seal extensions.

Go to our website at www.kaipara.govt.nz to find out more details.



We need your
feedback

You have until
4.30pm Thursday
5 April 2018
to give us your
feedback.

The biggest part of the consultation is that we need your feedback. We need to hear your opinions, thoughts and feelings on what is proposed in the following pages. You can give us your feedback however you wish. The consultation period is open until 4.30 pm on Thursday 5 April 2018 and your comments and suggestions can be sent to Council by:



Completing an on line feedback form at www.kaipara.govt.nz



Sending us an email to haveyoursay@kaipara.govt.nz



Completing the feedback form inside this document and returning it to our Dargaville or Mangawhai office, the Dargaville Library, or



Attending one of our 'drop in' discussions at:

Dargaville Wednesday 7 March, 61 Victoria Street (Old NRC Building), 10.00am – 12.00pm

Dargaville Thursday 8 March, Dargaville Markets, Victoria Street, 12.00pm – 4.00pm

Dargaville Friday 9 March, 61 Victoria Street (Old NRC Building), 4.00pm – 6.00pm

Omamari Beach Saturday 10 March, Omamari Fishing Competition, 3.30pm onwards

Tangiteroria Tuesday 13 March, Tangiteroria Sports Complex, **TIME**

Kaiwaka Wednesday 14 March, Kaiwaka Hall, 3.30pm – 5.30pm

Ruawai Thursday 15 March, Ruawai Village, 11.00am – 1.00pm

Te Kopuru Friday 16 March, Te Kopuru Hall, **TIME**

Kaihu Tuesday 20 March, Kaihu Rugby Club, Kaihu Wood Road, **TIME**

Mangawhai Wednesday 21 March, outside Council Office,
6 Molesworth Dr, 10.00am – 12.00pm

Mangawhai Thursday 22 March, Mangawhai Library, 9.30 am – 11.30 am

Mangawhai Friday 23 March, Wood Street shops, **TIME**

Paparoa Saturday, 24 March, Paparoa Market Day, **TIME**

Maungaturoto Thursday 29 March, 145 Hurdall Street, 11.00am – 1.00pm

Hearings will be held for those wishing to present their feedback to Council in April. Once we have received all the public feedback we will make decisions around the final Long Term Plan for adoption before the end of June 2018.

Go to our website at www.kaipara.govt.nz to find out more details.



Our vision

In 2017 the elected Council spent time on a new vision for Council and the community.

That vision was adopted in July 2017 as “thriving communities working together”.

Community Outcomes

A district with welcoming and strong communities

- Assisting and supporting community involvement
- Maintaining and improving infrastructure
- Recognising and supporting achievement

A trusted Council making good decisions for the future

- Making it simpler to work with us
- Open, transparent and engaged with communities and business
- Intent on lifting Kaipara’s wellbeing

A district with plenty of active outdoor opportunities

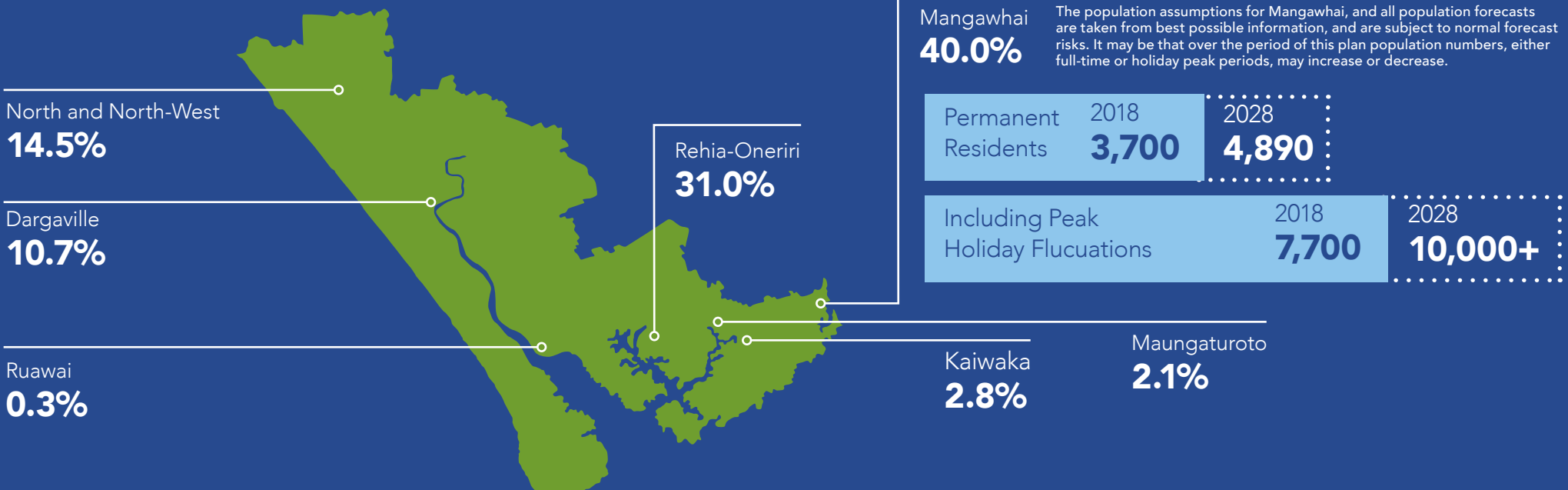
- Partnering with communities to develop sports and recreation facilities
- Protecting and enhancing our natural assets and open spaces

Who are we?

ESTIMATED POPULATION¹

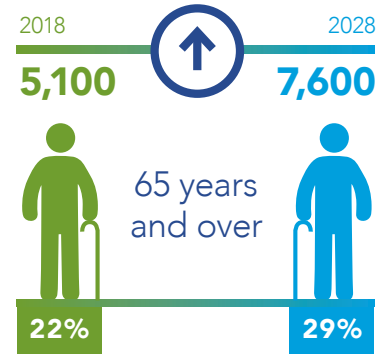
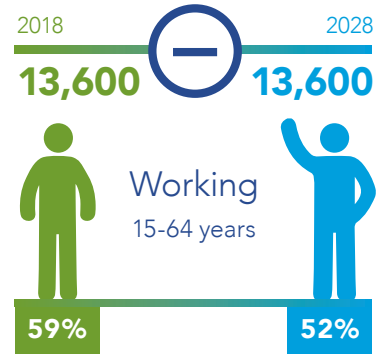
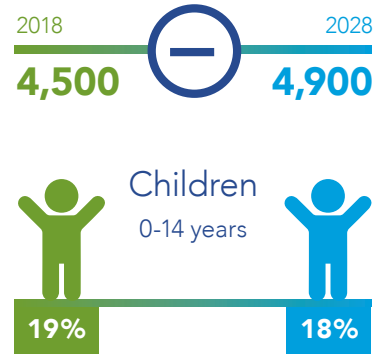
Permanent Residents		2018 23,100	2028 26,000
Including Peak Holiday Fluctuations		2018 30,000	2028 38,000

PROJECTED POPULATION GROWTH

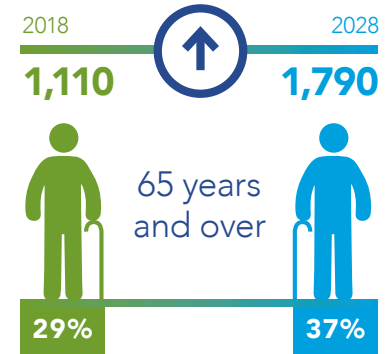


AGE OF POPULATION

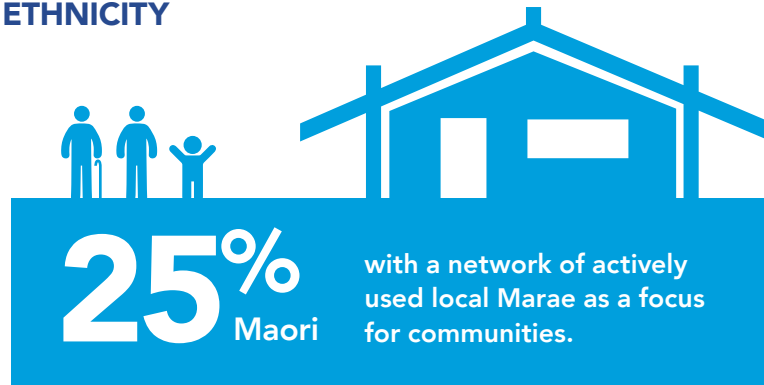
Kaipara District



Mangawhai

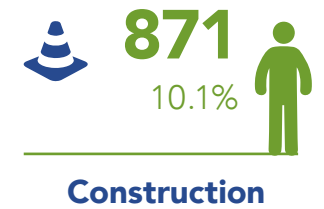


ETHNICITY



Council's two Treaty Settlement partners are Te Uri o Hau and Te Roroa

OCCUPATION²



IN THE FUTURE



¹ Infometrics/Statistics New Zealand Kaipara Population Growth

² For the year 2016



Rates, Debt and Drivers

The draft LTP is based on the following rates increases over the 10 years covered by the plan.³

	2018/19	2019/20	2020/21	2022/2028 ⁴
Rates Increase	5.45%	5.53%	4.76%	2.72%

In relation to the 2018/2019 rates increase this figure comprises:

	2018/2019
General Rates	3.00%
Targeted Rates	2.45%
Total	5.45%

When considering changes to the general rates for Council, in approximate terms, an increase of \$200,000 in operating expenditure equates to a 1% increase in general rates. **The key drivers of the 2018/19 rates figure are:**

- an increase in the targeted rates funding of depreciation as part of the transition to fully funding depreciation;
- increase in planning and regulatory operating expenditure, resulting from a range of factors including central government legislative changes which have reduced the extent to which costs can be recovered combined with ongoing increase in activity resulting from the high levels of growth; and
- increase in rates funded roads and footpath investment.

For further clarity around the financials drivers over the period of this Long Term Plan more information can be found in the Activity Profiles, on the Council website.

³ Rates increases excludes penalties and water supply

⁴ Average of years 4 -10 rates increase.

Transport

Introduction

Roading remains the number one challenge for our district. It is the area of most dissatisfaction that residents raise with Council. It is also where we invest most of our money. Over the 10 year life time of the plan Council aims to invest \$297 million on transport activity across the network to fund a comprehensive roading programme (the full programme can be viewed in full via the Roding and Footpath Activity Management Profile available at www.kaipara.govt.nz). As the population continues to grow, so do expectations around the level of service on our roading network. We need to provide for a safe and secure roading network that will allow all of Kaipara residents to travel across the district.

Issues

In the current draft budgets for the LTP 2018/2028 Council has planned for a variety of projects. In total over the 10 years of the plan this amounts to:

- \$154 million in operating expenditure (of which 37% is funded by subsidies and grants); and
- \$143.2 million in capital expenditure (57% from subsidies and grants).

This level of expenditure will maintain levels of service broadly consistent with the current state, with an impact on rates and debt levels generally consistent with previous years.

The draft budgets and underlying projects represent Council’s proposed approach. Alongside this, all roading and transport project subsidies are reliant on being approved through the Regional Land Transport Programme (approval is expected in June 2018). Set out below are some alternative options on projects to provide increased levels of service, with consequential increases in rates and debt.

PROJECT	\$ CAPITAL COST	IMPACT ON TOTAL RATES	NZTA SUBSIDY	DEBT
A Pouto Road Upgrade from end of seal to Ari Ari Road (approximately 10 kms)	\$2,417,249 Year 2 \$2,417,699 Year 3	Year 2 an increase of \$74,203 Year 3 further increase of \$74,320 cumulative \$148,526 Years 4-10 no further increases	Year 2 \$1,474,522 Year 3 \$1,474,796	Year 2 \$942,727 Year 3 \$942,903 cumulative \$1,885,630 Debt at June 2028 \$1,373,696
B Kaiwaka-Mangawhai Road bridge – creating two lanes	\$317,560 (BAU budget of \$817,249 in Year 1 of the draft LTP \$1,134,809 required)	Year 1 \$123,848	Year 1 \$ 193,712	NIL
C Kaiwaka pedestrian bridges and footpath	Year 1 \$138,000 Year 2 \$150,000 Year 3 \$150,000	Year 1 \$153,820 Year 2 \$58,500 Year 3 \$58,500	Year 1 \$84,180 Year 2 \$91,500 Year 3 \$91,500	NIL
D Walking and cycling projects across the district	Year 1 \$300,000 Year 2 \$227,249 Year 3 \$197,699	Year 1 \$117,000 Year 2 \$88,627 Year 3 \$77,103	Year 1 \$138,622 Year 2 \$91,500 Year 3 \$120,596	NIL



Roading Asset Management Plans;
Infrastructure Strategy;
Activity Profile Roads and Footpaths;

Financial Strategy; and
Long Term Plan Forecasts.



Which projects, if any, do you think should be added to the proposed transport programme?



Mangawhai Community Plan

Introduction

Two of the major projects you will find in this document focus on the development of Mangawhai (implementing the Community Plan and Wastewater Scheme extensions). The population of Mangawhai grew between 2001 and 2013 from 1,398 to 2,415³. The population has continued to grow and by 2030 will be almost 5,000. In addition, Mangawhai experiences inflows of additional population at the weekends and during the holiday seasons. The population assumptions for Mangawhai are taken from best possible information. It may be that over the period of this plan population numbers, either full-time or holiday peak periods, may increase or decrease. This assumption has put considerable pressure on the existing infrastructure, but also provides an opportunity to consider what Mangawhai could look like in 2028. Council needs to be proactive in managing this growth and ensuring the costs are spread fairly across both the users and between present and future ratepayers.

³ Taken from Mangawhai Community Plan

In 2016 Council set up a panel of community representatives to make recommendations to the Mangawhai Community Plan (MCP). The MCP provides guidance to Council to plan its future role and potential responses to the management of growth in Mangawhai. This population growth is not predicted to slow down, and with improvements to the state highway network, Mangawhai will get ever closer to Auckland. The MCP focusses on growing the area sustainably for the future, whilst minimising the environmental impact and retaining and enhancing the active pace of life and the coastal character the residents and visitors wish to protect.

The MCP brought together a community-led initiative to invest in developing the community assets and facilities. This will be funded through a variety of methods not just general rates but targeted rates, development contributions and by Council borrowing to fund infrastructure projects and spreading the cost amongst future ratepayers.

The MCP involves a wide range of projects, at a total estimated cost of \$26.9 million over the next 10 years, designed to:

- increase connectivity through slow streets and walking and cycling projects;
- develop blue green infrastructure;
- facilitate key development projects;
- protect the coastal character; and
- offer housing and lifestyle choices.

Issues

The MCP contains a series of projects and priorities across a range of Council activities, with roading, water, reserves and planning all featuring heavily in the MCP.

The budgets contained in this draft plan do not include MCP projects other than some stormwater and Mangawhai Community Wastewater Scheme (MCWWS) extension projects considered as 'business as usual'. Based on current revenue sources and settings this is a level of activity that has been deemed affordable.

As an alternative the impact on rates and development contributions of commencing implementation of the MCP projects in 2018/2019 has been modelled. Under this approach, completion of the initial phase would occur over three years to 2020/2021.

The major funding assumption on which the alternative approach is based is that application of NZTA subsidies, development and financial contributions is maximised. Under Options 1 and 2 debt is used to fund implementation of the plan.

Option 1

The funding requirement for implementing the plan (over the 10 years of this LTP) is met by raising debt. The cost of the debt, interest and principal, paid by district-wide general rates. By year three this is an additional cost of \$112,000 per annum. Under this option general rates increase by 0.1% in the first year moving to 0.4% in year three.

Option 2

The funding requirement for implementing the plan (over the 10 years of this LTP) is met by raising debt. The cost of the debt, interest and principal, is shared: 20% district-wide general rate and 80% by Mangawhai ratepayers. The general rate increase is less than 0.1% in all years. The outlay to Mangawhai ratepayers commences at 0.1% and increases to 0.7% in year three.

Option 3

Funding requirements (\$2.453 million) met from the Mangawhai Endowment Lands Account fund. Meaning there is a decrease in MELA fund capital of approximately 50%.

Option 4

Under option 4, Council would delay the implementation of projects, from its current three year plan, to beyond 2021. This would spread the rates increases of Option 1 or 2 from 2021 to 2024.

\$NZ	OPTIONS 1,2 AND 4	OPTION 3
Capital expenditure 2018/2019 price level	7,898,401	7,898,401
Funding		
Subsidy	2,482,517	2,482,517
Development contributions	1,033,921	1,033,921
Financial contributions	1,928,701	1,928,701
Mangawhai Endowment Land Account	0	2,453,262
General rate loan	1,155,262	0
Stormwater loan	770,000	0
Depreciation funding	528,000	0
	7,898,401	7,898,401

Development and Financial Contributions

The impact on development contributions and financial contributions is the same under each option. The roading east development contributions increases by \$308.00 or 54% and the Mangawhai stormwater development by \$79.00 or 22%.

The impact on rates, debt and development contributions of the funding the implementation the MCP of the first three years is:

Mangawhai Community Plan Options

	OPTION 1	OPTION 2		OPTION 3	OPTION 4
General Rate increase					
	District 100%	District 20%	Mangawhai 80%		
2018/2019	0.10%	0.02%	0.10%	Nil	Rate increase under Options 1 and 2 spread beyond 2020/2021
2019/2020	0.30%	0.06%	0.40%	Nil	
2020/2021	0.40%	0.09%	0.70%	Nil	
Targeted Rate increase					
	Mangawhai stormwater network		Mangawhai stormwater network		
2018/2019	0.00%		0.00%		Rate increase under Options 1 and 2 spread beyond 2020/2021
2019/2020	1.10%		1.10%		
2020/2021	8.40%		8.40%		
Development Contributions (excluding GST)					
Roading East					
Pre MCP	570	570	570	570	570
MCP	308	308	308	308	308
With MCP	\$878	\$878	\$878	\$878	\$878
Mangawhai stormwater					
Pre MCP	\$359	\$359	\$359	\$359	\$359
MCP	\$79	\$79	\$79	\$79	\$79
With MCP	\$438	\$438	\$438	\$438	\$438



Mangawhai Community Plan;
 Roothing Asset Management Plan;
 Infrastructure Strategy, Activity Profile Roads and Footpaths;
 Financial Strategy; and
 Long Term Plan Forecasts.



Do you support implementation of the MCP commencing in 2018/2019?

If so, which approach to funding do you favour?



Forestry Targeted Rate

Introduction

In the LTP 2015/2025 a targeted rate (“the Forestry Roding Rate”) on exotic forestry land owners for the period 2015 to 2021 was introduced. This rate generates \$390,000 per annum and has been supplemented by NZTA financial assistance to provide additional funding to cover expenditure of \$1,000,000 per annum on our impacted roads.

Issues

Revenue from the targeted rate has been used to strengthen the condition of roads currently heavily used by the forestry industry in our district. The continued intense and heavy use of logging trucks means we need to maintain these roads over and above a general level of service to avoid further deterioration.

Budgets in the draft plan have the rate continuing over the next 10 years, adjusted for inflation. Council is not proposing to increase the rate at this stage but recognises that this is something that could be considered in the future. Similarly, an alternative option would be to remove the targeted rate. If the rate was removed either the quality of the associated roads would deteriorate or general rates would need to be increased.

Council is proposing to extend the lifetime of the targeted rate for each year of the LTP 2018/2028. Council would also like your views on whether the targeted rate should be increased. This targeted rate currently impacts 108 properties.

The impact on rates and debt of the various options is:

Option	Impact on Ratepayers	Impact on Debt
Retain rate, inflation adjusted	\$7,800 (exotic forestry land owners)	NIL
Remove rate (and continue to fund necessary expenditure)	\$397,800 added to the General Rate	NIL



Revenue and Financing Policy



Do you support the targeted rate being:

- Continued over the 10 years of this LTP adjusted annually for inflation?
- Removed?
- Or increased, and if so, why?



Mangawhai Community Wastewater Scheme

Introduction

The Mangawhai Community Wastewater Scheme (MCWWS) helps protect the water quality of the Mangawhai Harbour. In 2009 the scheme was commissioned with 1,216³ connections. This number has increased to 2,293⁴, with a further 486 capable of connection. The current design capacity for the treatment plant is approximately 2,500 connections. Council is proposing to extend the scheme over a period of 27 years as continued growth will eventually require expenditure on an additional disposal system as well as extending and upgrading the existing system. This is a significant cost and wherever you live in our district there will be an impact from these decisions. Therefore we have included this as an issue for consideration.

3 Mangawhai Community Wastewater Scheme Report

4 MCWWS Disposal Capacity Assessment April 2017

Issues

Continued growth in the Mangawhai area will increasingly put upward pressure on the plant and its capability. It is planned that the treatment plant will receive a \$1.8 million upgrade (over the first two years) to extend the disposal system which will increase capacity over peak times. The reticulation network, treatment plant and disposal area are limited in terms of their ability to cope with expected levels of growth. It is estimated that connections will grow over the LTP planning period by 920 connections.

It is planned that development contributions levied on future development will pay for 95% of any proposed upgrades.


Council is working under the assumption that growth will continue at Mangawhai, it has allocated \$20.05 million (95% of which is levied on future developers) over the next 10 years to:

- extend the existing disposal system and irrigation system;
- add a new disposal system;
- upgrade and extend reticulation networks; and
- augment the Treatment Plant to reach a 4,700 connection capacity.

This is part of a 27 year, \$34.76 million programme to extend the overall MCWWS connectable area. This will be funded through debt and repaid with revenue raised from development contributions. Accordingly there is no impact on rates.

Whilst this is Council's budgeted option there are, of course, other scenarios that could be followed, which reduce the level of expenditure from that currently included in our forecasts. Along with reducing the level of expenditure over the 10 years, each scenario contains risks and limitations which are set out below.

	Key Features	Financial Overview	Impact on Rates and Debt	Limitations
Scenario 1 Do minimum	Extend disposal system, upgrade existing reticulation and treatment. 3,300 connection capacity	\$4.35 million over 10 years.	Debt funded, serviced by development contributions.	Maximum connection capacity of 3,300. No extension to the reticulation network.
Scenario 2 Reticulate pockets	Extend disposal system, upgrade existing reticulation, extend reticulation and upgrade treatment plant. 3,300 connection capacity	\$7.65 million over 10 years	Debt funded, serviced by development contributions.	Maximum connection capacity of 3,300. Minor extension to the reticulation network.
Scenario 3 Ecological plus pockets	Extend disposal system, upgrade existing reticulation, further extend reticulation (when compared to Scenario 2) and upgrade treatment plant. 3,300 connection capacity	\$16.35 million over 10 years	Debt funded, serviced by development contributions.	Maximum connection capacity of 3,300. Middle minimum extension to the reticulation network.

 Mangawhai Community Plan; Wastewater Asset Management Plans; Infrastructure Strategy; and Financial Strategy.



Do you agree with the Council's proposed approach during the next 10 years, which will see the MCWWS fully extended over 27 years, or do you favour an alternative approach?



Sporting Facilities

Introduction

Council is looking at how best to focus our limited financial and operational support on the district's recreational needs over the 10 year period of this LTP.

Kaipara is the home to numerous sporting clubs and activities. Council supports these groups and associations through a variety of avenues including applications under the Community Assistance Policy to support operating costs, administering the rural sports travel fund and providing operating grants outside of these frameworks such as the one paid to Kauri Coast Community Pool Trust.

Council has supported the development of "Sportsville", a multi-sports facility at Memorial Park in Dargaville, with a previous operating grant of \$100,000. Council also supports the facility development with funding towards extending the car park and on the ground maintenance.



Council has provided support towards the development of the Mangawhai Activity Zone (MAZ) at the Mangawhai Community Park. MAZ has received grants and funding from Council of over \$200,000. In addition, Council has supported the development of the wider park master plan at \$100,000 per annum (\$150,000 proposed for 2018/2019).

Issues

Sportsville has successfully leveraged funding of over \$2.5 million towards the development of the park. This will allow for the development of a multi-sport precinct including the development and co-location of netball, tennis, rugby and rugby league with changing facilities and shared rooms.

MAZ has raised over \$780,000 for the construction of a number of community-based recreational and sporting facilities. They are now looking for funding to complete the construction of the skate park and provide facilities that would allow for Olympic standard events to be held in Mangawhai.

While we support these projects, Council has only very limited funds available to assist in advancing projects of this nature.

Northland Regional Council (NRC) is currently proposing to strike a rate across the LTP period, to be known as the Regional Sporting Facilities Rate, which

will replace the Regional Recreational Facilities Rate that funded the Northland Events Centre. The new rate will enable NRC to provide funding support to assist in the development of sporting facilities, across Northland, that are of regional benefit. It is proposed that all Northland ratepayers - Kaipara, Far North and Whāngārei ratepayers - contribute \$15.00 (excluding GST) a year to the Regional Sporting Facilities Rate. In November 2017 Council agreed to advocate for both Sportsville and MAZ being included as projects for this rate. In addition Council is proposing a further one-off grant to Sportsville of \$70,000 in 2018/2019.

Other potential options include:

- Council could fund an additional grant to MAZ from financial contributions to support the completion of the skate park. MAZ has requested a grant up to \$500,000 from Council. This will not impact on the general rate, but it will reduce the available funding for expenditure on other parks and reserves throughout the district.
- Council could choose not to fund the \$70,000 to Sportsville and the project would need to find additional resources from elsewhere.

Impact on LTP budgets

There will be no impact on the LTP budgets as provision has been made for proposed expenditure or involves use of financial contributions.



NRC Consultation Document.



Do you support Sportsville receiving a one-off \$70,000 grant from the general rate?
Should NRC decide to continue with its Regional Sporting Facilities Rate, do you agree with funding these two projects through it?
Do you agree with Council supporting other facilities?

KEY ISSUES



Pensioner Housing

Introduction

Council currently owns 56 community housing units for persons over the age of 55 with limited means. These units are located in Ruawai, Mangawhai with two in Dargaville. The Dargaville and Ruawai units are managed by the Dargaville Community Development Board through a Contract for Service. These units are subject to a loan agreement with Housing New Zealand that requires Council to retain these units until 2024 or to repay funding to Housing New Zealand. The Mangawhai units are managed by an independent contractor employed by Council.

Issues

The condition of the Mangawhai units means they are close to the end of their lifecycle. The ability to keep these units at an affordable rental, that will allow them to be self-funding with no general ratepayer support, will compromise the level of refurbishment that is possible and therefore the quality of the accommodation. The utilisation of the site at Mangawhai does not maximise either the full potential of the land use or the available housing units.

Council considers that its role in Pensioner Housing should be to facilitate but not be directly involved in the running of Pensioner Housing. Council wants to look at redesigning its footprint in Fagan Place, Mangawhai to ensure continuity of the current housing capacity, whilst freeing up the available land for alternative uses. This could involve the sale of some land or working with a developer to bring investment into the housing stock and provide alternative benefits to the community. The well-being of existing residents and those affected by any change will be actively supported.

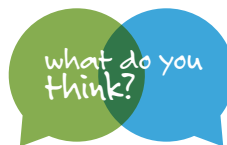
Council is seeking your guidance on the most effective role it can play in social housing and what, in practice, this would look like.

This is an issue which Council is at the very early stages of considering and, therefore, we have not proposed any specific options, other than Fagan Place in this plan. We do, however, want an indication of your thoughts to help inform further work.

As part of the work considering Pensioner Housing, Council is looking to investigate alternative options for the land, including working with external partners, it owns at Fagan Place in Mangawhai, and we would also appreciate your feedback on this concept.

Impact on LTP budgets

This item has no impact on the LTP budgets as we are seeking the community's view on our involvement in pensioner housing.



What role do you think Council should play in pensioner housing?

Do you think Council needs to improve the financial stability of pensioner housing by reviewing the nature of its ownership?

Do you support Council looking at alternative land uses for Fagan Place, Mangawhai? Exploring other options for funding.



Reserves Contributions

Introduction

The existing Reserves Contribution (use of) Policy has a 60:40 split between spending in the catchment where it was collected (60%) and spending on reserves of district significance ("Priority Parks" (40%)). Council is using the LTP process to consult on changing that split to 80:20 to more closely align funding generated by growth with projects focused in the areas where that growth is occurring. Mangawhai is currently growing and needs to ensure there are green spaces and room for activity.

Issues

Under the new approach, 80% of the money raised in the contribution would need to be spent in the contribution area. The four areas are:

- Dargaville and surrounds;
- Maungaturoto, Papanoa, Tinopai and surrounds;
- Kaiwaka and surrounds; and
- Mangawhai and surrounds.

The current Priority Parks – Kai Iwi Lakes (Taharoa Domain), Pou Tu Te Rangi/Harding Park and Mangawhai Community Park – will no longer have a guaranteed revenue to implement their Reserve Management Plans (RMPs) and develop these parks

under the new policy. This is currently \$100,000 per year for each park in the draft budgets. Mangawhai Community Park sits within a catchment that has historically collected between \$90,000 and \$500,000 per year, with the last two years collecting over \$1 million per year.

The new policy proposes a contestable fund for local communities and Council's Parks and Reserves



Team (including the three Park Committees) to apply for funding for capital works from the reserve contributions pool.

While Council is considering this new approach, the draft budgets detailed in this document are based on the existing policy split (60:40).

Kai Iwi Lakes and Pou Tu Te Rangi/Harding Park are in low growth areas and historically collected between \$12,000 and \$88,000 reserve contributions per year. Therefore, these two parks are unlikely to have sufficient reserve contribution funds to continue to implement the actions and programmes specified in their RMPs under the reviewed policy.

Other options would be to:

- apply all of the contributions to district-wide priority projects (which would result in a lower level of service in high growth areas); and
- apply contributions only where they are raised (resulting in a lower level of service in low growth areas).

To the extent that these options directly translate into level of service changes, they represent a redistribution of expenditure, and there would not be an immediate impact on debt or rates.

The main implication of the policy approach is that Council would need to consider providing an alternate funding source for parks and reserves in the

event that there is insufficient reserve contributions in the proposed catchments. There are sufficient funds to cover projects planned for 2018/2019 and 2019/2020. After that Council has two options:

- slow the implementation of the RMP to match receipt of contributions; and
- use an alternative source of funds.

Two major alternative sources of funding have been identified:

- ratepayer funding through general or targeted rates; or
- debt with servicing costs covered by rates or future reserve contributions.

The future impact on rates and debt levels of these options for the third year, should the new policy be adopted is that Council would need to investigate funding options for each project on a case by case basis. Options could include third party subsidies and grants, debt or rates or a combination of all three.

Impact on LTP budgets

Should the decision be to adopt an 80:20 split and retain current levels of service the LTP budgets would need to provide for more rate income or debt to fund the premier park expenditure for which sufficient financial contribution income would no longer be available.



Existing Reserve Contributions (use of) Policy; and
Draft Reserve Contributions (use of) Policy (and Appendices)



Do you support Council adopting the proposed policy?

If so, what option would you support lower expenditure on reserves in low-growth areas or the difference being covered by increased rates or debt?



Flood Protection

Flood protection covers work related to flood control, river alignment control (undertaken by Northland Regional Council) and land drainage.

Council operates 28 land drainage schemes in the district of varying size. Activities undertaken to maintain the land drainage network include:

- weed spraying;
- drain cleaning;
- floodgate and maintenance; and
- floodgate and stopbank maintenance in the Raupo Drainage District. Other stopbank maintenance for remaining districts is discretionary.

Targeted rates are set for the services required by each district.

Beginning in the 2018/2019 financial year, the Te

Hapai Drainage District, who have previously been on a rating holiday, asked that Council reactivate rating them for this service. Through the LTP process Council is seeking your feedback on this proposal.

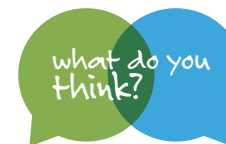
A rate of \$85,000 over a 10 year period is proposed for the replacement of a failed floodgate and drain cleaning.

Impact on LTP budgets

Accepting this proposal will require a small amendment to the LTP budgets. Expenditure on the floodgates and drain cleaning matched by an equal new targeted rate on the Raupo Drainage District ratepayers.



Activity Profile.



Do you support Council re-activating the targeted rate for the Te Hapai Drainage District?



District Plan

Introduction

Council's District Plan started being developed in 2006 and became operative on 01 November 2013. Since this time the district has changed significantly. Growth has been much greater than expected across the district.

Issues

Historical zoning and planning decisions may no longer be the most effective or appropriate for the district.

Council believes that the district would benefit from commencing an active and comprehensive review of the District Plan, including determining and remedying the extent to which current planning and zoning practice is restraining and prohibiting population growth and commercial or industrial development.

In the budgets proposed in this document, however, only limited funding has been provided a limited review. It is estimated a comprehensive review would cost up to \$4.3 million over five years.

At the current level of funding the review, which is required by legislation would be partial and the expectations of the community may not be met. To increase the scope of this review and to bring this work forward however, budgets would need to be increased.

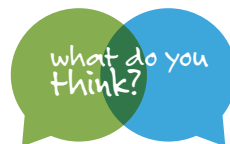
A more comprehensive review would include:

- assessing and updating growth trends, patterns and forecasts;
- assessing the adequacy of the existing District plan in light of the growth forecasts and developing and agreeing necessary changes; and
- initialising an extensive plan change process to implement the findings of the review.

Council wants to hear your thoughts on whether such work should be prioritised, bringing it forward to the early years of this plan and how this could be funded from within existing budgets.

Impact on LTP budgets

If the proposal to investigate prioritising work is adopted there will be no net impact on the LTP budgets.



Should Council investigate prioritise a review the District Plan and allocate funding necessary activity?

A Thriving Kaipara

Economic and Community Development

Council has a number of potential projects, at the very early stages of consideration, to contribute to a dynamic and prosperous district on which it is interested in hearing your thoughts. These projects contain various elements of economic and community development designed to contribute to a thriving Kaipara.

The options set out below are all projects Council will look to investigate which would help boost the economic development profile of the district. At this stage there are no proposals to implement any of the projects, but your initial thoughts will be useful to inform the investigations.

Wi-Fi

Investigating options for broader coverage of high speed internet alongside the national government Rural Broadband Initiatives.

- Should Council support access to Internet and Digital capabilities for its communities?

Tourism Promotion

Supporting community organisations and local operators to boost visitors into and around the region.

- How can Council better support organisations and operators that operate in the Tourism sector in Kaipara?

Digital Community Hub (Dargaville)

Investigating options for a Digital Community Hub, potentially funded through external sources, located in Dargaville, for a modern library service, Council offices, tourism centre (I-site) and publicly available meeting space for business services and community groups use

- Should Council investigate the Digital Community Hub for Dargaville?

Dargaville Placemaking Programme of Work

Council along with the Dargaville Community Development Board has created a placemaking programme of work for Dargaville.

- Should Council investigate advancing implementation of the programme?

Council Controlled Organisation

With the increased emphasis by central government on Provincial Growth (and associated access to funding) coupled with the desire by this Council to

source additional revenues outside the ratepayer base, Council believes that it needs to be more active in looking at new models that could assist it in the next few years achieve its goals. One such model is the establishment of a Council Control Organisation (CCO) to help look at certain infrastructure investments and other growth projects, and to look to access funding from external sources.

- Do you support the establishment of a growth focused CCO?

Investigations of projects such as this can be funded from within existing baseline budgets. However, the financials contained in this document do not include any funding for implementation. We have not estimated the cost or impact on rates or debt of implementing any of the projects as this will only become clear after the investigation work has been completed.

Impact on LTP budgets

The proposal seeks community view, as such there will be no current impact on the LTP budgets.



Do you support Council investigating these district initiatives?

What other initiatives do you think should be looked at?



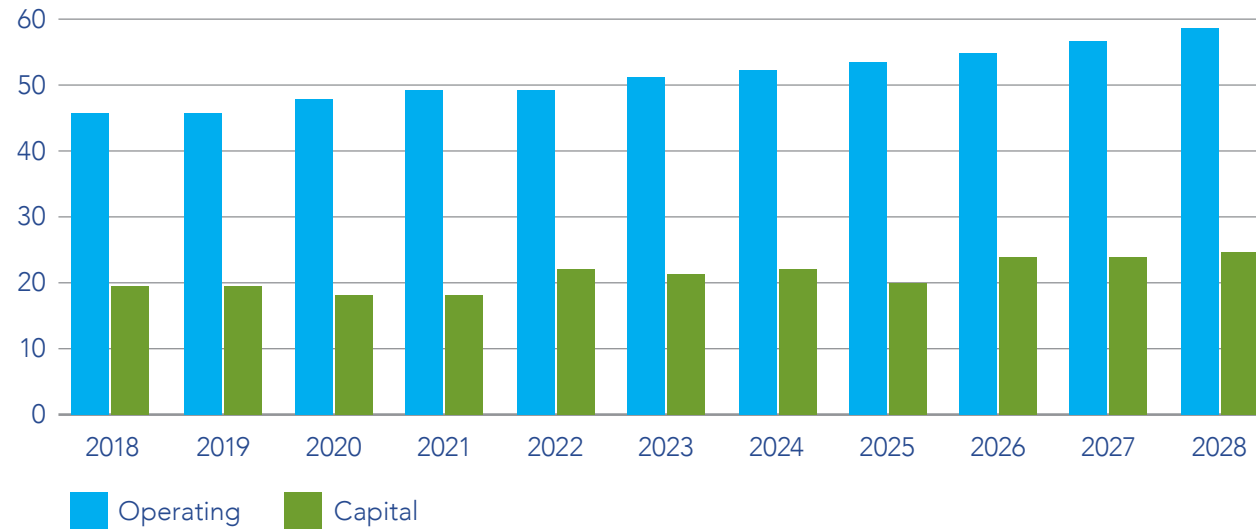
Financials

Council's Financial Strategy is based on continuing to balance our operating budget and a sustainable level of debt while recognising the need to maintain reasonable levels of service, provide for the renewal of assets and ensure that rates remain affordable for residents.

Investing in Kaipara

Over the 10 years of the LTP Council is investing \$523 million in operating expenditure and \$219 million in capital expenditure to maintain and enhance the level of services provided to the communities of Kaipara.

Operating and Capital Expenditure
\$ million



Forecasted Total Revenue, Expenditure and Surpluses 2018/2028³

\$ million

Year end June

	2018 ⁷	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Revenue	54.0	54.3	57.1	60.0	62.0	62.8	66.4	66.8	69.4	70.4	72.6
Total Expenditure	45.7	45.9	48.4	49.7	49.6	51.3	52.9	53.8	55.2	57.4	58.8
Net Surplus (Deficit) ⁸	8.2	8.4	8.6	10.3	12.4	11.6	13.5	13.0	14.2	13.0	13.7
Adjusted Net Operating Surplus (Deficit) ⁹	(1.3)	(0.8)	(0.8)	0	1.7	1.4	2.3	2.6	2.6	2.4	2.6

³ Refer Prospective Statement of Comprehensive Revenue and Expense

⁴ The 2018 figures represent Forecast 1 for the 2017/2018 financial year.

⁵ Net Surplus (deficit) prior to Gain/Loss on Asset Revaluations, used to fund asset renewals and repayment of debt.

⁶ Net operating surplus (deficit) is before recognising capital funding revenues.

Rates and Revenue

In the LTP 2012/2022 a limit for rates increases was set at the Local Government Cost Index +2%. This limit is not a statutory requirement, but was set by Council as a guideline for its budgeting. As indicated in the table below, in each of the first three years of the plan the proposed rates increase exceeds the 2012 limit. The reason for this is to cope with the extent of growth pressures and the consequences of other unfavourable events that have occurred since 2012. In the subsequent seven years of the plan (with the exception of 2023/2024) the projected rates increases are well below the limit set in 2012. In addition, the average rates increase over the 10 years of the plan (3.48%) is below the policy guideline set for each of those 10 years. Council also has a rates limit of keeping rates as percentage of total revenue below 76%, this limit is predicted to be met throughout the LTP period.

Annual Operating Rates Revenue and Forecasted Movements 2018/2028³

Year end June

	2018 ¹¹	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Rates (\$m)	29.4	31.2	33.1	34.8	36.0	36.9	38.9	39.6	40.7	42.2	43.4
Total Revenue (\$m) ¹²	53.9	54.4	57.1	60.0	62.0	62.8	66.4	66.7	69.3	70.4	72.6
Total Rates % of Total Revenue ¹³	54.61%	57.37%	57.94%	57.98%	58.11%	58.71%	58.54%	59.40%	58.64%	60.02%	59.85%
Forecast Increase for Total Rates(Excluding growth)	2.65%	5.45%	5.53%	4.76%	3.02%	1.88%	4.88%	1.50%	2.06%	3.38%	2.29%
Total Rates Increase Limit	5.1%	4.0%	4.2%	4.2%	4.2%	4.3%	4.3%	4.4%	4.5%	4.6%	4.7%

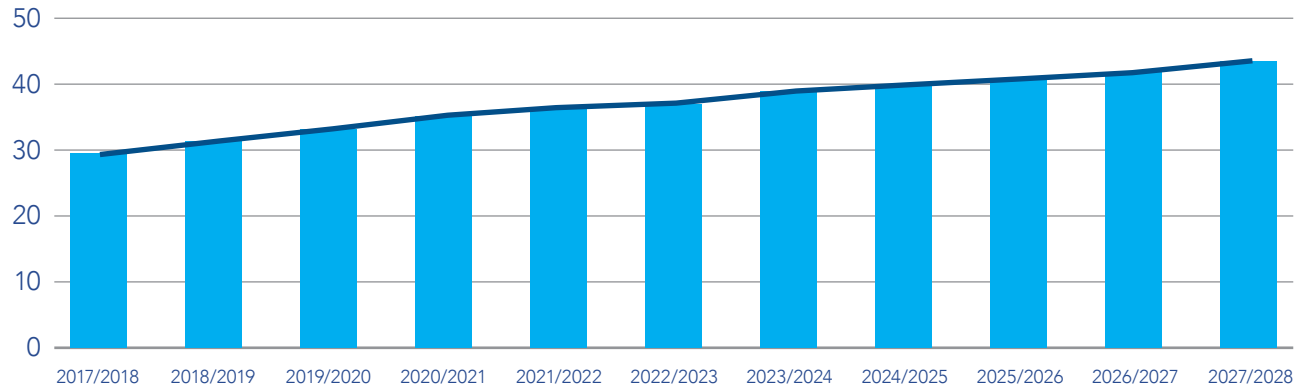
⁴ Excluding rate penalty income and water rates.

⁵ Annual Plan 2017/2018.

⁶ Excludes non-cash items.

⁷ Calculated on \$000's.

Rate Revenue

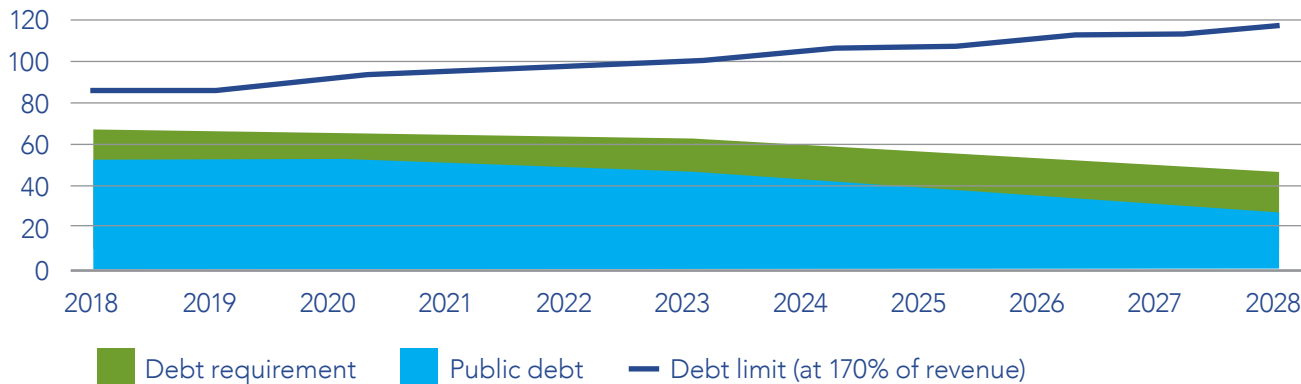


Debt

A major achievement over the past three years is the significant reduction of debt beyond that forecast in the LTP 2015/2025. Public Debt is projected to be \$54.5 million at June 2018 compared to the \$70.7 million projected in the LTP 2015/2025. Over the course of the plan debt is forecast to trend downwards, reaching \$27.8 million by June 2028. Debt requirement is defined as projected debt plus capacity to fund reserve expenditure.

Public Debt, Requirements and Limits

\$ million



Responsible Financial Management and Prudential Limits

In order to ensure the Council responsibly and prudently manages the district's finances, finances are managed based on a range of financial targets and prudential limits. The key limits are set out below.

Debt as a percentage of total revenue	170%
Interest as a percentage of total revenue	15%
Interest as a percentage of Annual Operating Rates	20%

Based on the financial projections on which this document has been prepared, Council will remain well below these prudential limits over the course of the LTP.

In this document we are asking for your views on a number of projects that are not currently included in the proposed budgets. Including these projects in the final plan will move Council closer to these prudential limits. Affordability, and the financial consequences of including additional projects and investments will need to be taken into account during decision making.

Rating Impacts

Effect of changes to rating by category

	2017/2018	Revaluation Impact		LTP		Total	
	\$	\$	%	\$	%	\$	%
Rates levied (incl GST)							
Commercial	1,030,700	10,194	1.0%	45,726	4.44%	1,086,600	5.4%
Dairy	3,884,600	-634,203	-16.3%	183,812	4.73%	3,434,200	-11.6%
Forestry exotic	774,500	-34,445	-4.4%	16,315	2.11%	756,300	-2.3%
Forestry indigenous	29,900	-1,588	-5.3%	521	1.74%	28,900	-3.3%
Horticultural	346,900	-9,780	-2.8%	20,903	6.03%	358,100	3.2%
Industrial	453,400	-10,683	-2.4%	9,788	2.16%	452,600	-0.2%
Lifestyle <2 ha	2,676,000	293,864	11.0%	139,801	5.22%	3,109,700	16.2%
Lifestyle >=2 ha	3,871,100	386,231	10.0%	219,793	5.68%	4,477,100	15.7%
Mining	17,200	-1,376	-8.0%	438	2.54%	16,300	-5.2%
Other	530,600	2,181	0.4%	39,442	7.43%	572,200	7.8%
Pastoral	5,430,500	-771,278	-14.2%	243,773	4.49%	4,903,000	-9.7%
Residential	14,730,800	777,748	5.3%	1,094,123	7.43%	16,602,700	12.7%
Specialty	17,000	-6,853	-40.3%	-4,051	-23.83%	6,100	-64.1%
Utilities	52,200	2,139	4.1%	2,593	4.97%	56,900	9.0%
Total including GST	33,845,400	2,152	0.0%	2,012,976	5.95%*	35,860,700	5.95%*
Total excluding GST	29,430,800			1,750,414		31,183,200	

* Includes growth of 0.5%

Effect of changes to rating by average residential property³

Rates (including GST)*	2017/2018		2018/2019				
	\$	Revaluation Impact		LTP		Total	
		\$	%	\$	%	\$	%
Residential							
Mangawhai	3,016	155	5.1%	283	9.37%	3,454	14.5%
Dargaville	2,069	22	1.1%	65	3.13%	2,157	4.2%
Maungaturoto	2,090	75	3.6%	183	8.78%	2,349	12.4%
Baylys	1,253	19	1.6%	14	1.09%	1,286	2.6%
Te Kopuru	1,477	9	0.6%	129	8.70%	1,614	9.3%
Ruawai	978	33	3.4%	31	3.14%	1,042	6.5%
Tinopai	1,068	29	2.7%	29	2.70%	1,126	5.4%
Paparoa	954	157	16.4%	30	3.14%	1,140	19.6%
Kaiwaka	2,050	114	5.5%	247	12.03%	2,410	17.6%
Pahi	1,021	229	22.4%	41	4.00%	1,291	26.4%
Glinks Gully	2,609	-168	-6.4%	163	6.25%	2,604	-0.2%

³ Average property is the median or mean of the property in that part of the district.

Effect of changes to rating across the district (average value property)

The following increases are the combined effect of proposed budgets and property revaluations that were undertaken in 2017.

	Rates % change		Rates % change
Mangawhai Residential	17%	Paparoa Lifestyle	21%
Dargaville Residential	4%	Waipoua Pastoral	8%
Maungatoroto Residential	13%	Kaihu Pastoral	-9%
Baylys Residential	1%	Pouto Peninsula Pastoral	-10%
Te Kopuru Residential	9%	Kaiwaka Pastoral	-13%
Ruawai Residential	7%	Maungataroto Dairy	4%
Tinopai Residential	5%	Tokatoka Dairy	-9%
Paparoa Residential	18%	Pouto Peninsula Dairy	-12%
Kaiwaka Residential	19%	Ruawai Dairy	-9%
Pahi Residential	25%	Central Horticultural	1%
Glinks Gully Residential	0%	Waipoua Exotic Forestry	-3%
Mangawhai Lifestyle	19%	Dargaville Commercial	-4%
Kaiwaka Lifestyle	24%	Mangawhai Commercial	32%
Maungaturoto Lifestyle	14%	Dargaville Industrial	-6%

To see a full breakdown of the Rating Impact charts, visit the Long Term Plan 2018/2028 page on our website.

Activities and Levels of Service

Introduction to the section here?

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Community Activities

Council provides and manages reserves and open spaces, libraries, pensioner housing and the Northern Wairoa War Memorial Hall, Dargaville. Assistance is also provided with community planning and development initiatives.

Risks and Issues

- Concerns exist regarding a perceived mismatch between the availability of open space and community needs;
- There is an uneven mix of library services across the District; and
- The community housing stock is aging towards critical levels.

What's Planned

- Over the 10 years of the plan \$62.7 million in operating expenditure and \$7.9 million in capital expenditure;
- Deliver agreed programmes in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Vision Guide;
- Deliver Walking and Cycling Strategy; and
- Work with communities to develop a calendar of events.

District Leadership

This activity involves managing governance and democratic processes, policy development, District Plan related functions and planning for growth. It also includes provision of civil defence and emergency management services.

Risks and Issues

- Costs involved in responding to regional and national policy changes and Government decisions, for little benefit to the district;
- Accelerated growth creating pressure on existing Council systems and capacity; and
- Associated increases in staff costs.

What's Planned

- Over the 10 years of the plan \$127.2 million in operating expenditure (of which approximately 47% represents internal recoveries from other Council activities) and \$9.1 million in capital expenditure;
- Notification of plan changes to give effect to the Regional Policy Statement;
- Investigate options for on-line resource consent processing;
- Growth planning; and
- Bylaws – completion and statutory reviews.

Flood Protection and Control

In order to manage the risk of flooding across the district, this activity includes flood protection and control works covering flood control schemes, river alignment control and land drainage.

Risks and Issues

- Managing and planning for multiple risks associated with climate change and future service levels; and
- Lack of clarity in terms of actual service level standards.

What's Planned

- Over the 10 years of the plan \$5.8 million in operating expenditure and \$1.3 million in capital expenditure;
- Continue floodgate and stopbank assessment;
- Assess schemes in terms of climate change related risks; and
- Undertake condition assessment and develop a renewal programme.

Planning and Regulatory Management

This activity covers the licensing, consenting, monitoring and management of building control, along with resource consent management and regulatory services.

Risks and Issues

- Record levels of building and resource consent applications creating system pressures and increased demand for nationally scarce staff resources;
- Responding to legislative changes; and
- Compress processing timeframes.

What's Planned

- Over the 10 years of the plan \$60.6 million in operating expenditure (of which 63% is recovered through fees and charges);
- Transition of all food premises onto food control plans;
- Establish a hazardous substances monitoring programme as required by statute; and
- Complete an earthquake prone building register to meet statutory requirements.

Roading and Footpaths

Council manages, maintains and renews a roading network of 1,574kms (72% unsealed) including the provision of signage, markings, streetlights and street cleaning services. This activity also includes the provision of footpaths, walkways and cycleways.

Risks and Issues

- Increasing heavy traffic loading increases pavement deterioration especially on low volume and access roads;
- Ongoing community concern over quality of roads, dust nuisance and service levels;
- Dependence on government subsidies and the capacity to provide the required local share; and
- Difficulty managing key cost drivers where their levels are beyond the control of the Council.

What's Planned

- Over the 10 years of the plan \$140 million in operating expenditure (of which 28% is funded by subsidies and grants) and \$129 million in capital expenditure (97% from subsidies and grants);
- Develop bridge management and roading risk management strategies;
- Construct a forward work programme for footpaths based on five-yearly asset assessments;
- Review and enhance acceptance standards for new and vested assets; and
- Actively improve contract performance management.

Solid Waste

This activity also includes the provision of urban kerbside bag collection and rural collection sites, recycling collection, litterbins and transfer stations. It also involves support for waste minimisation initiatives and removal of illegal dumping and abandoned vehicles.

Risks and Issues

- Dependence on Government subsidy through the Waste Minimisation Levy;
- Risk of refuse activity producing leachate;
- Potential for service level to not meet increasing customer expectations; and
- Market changes in the demand for recyclable materials.

What's Planned

- Over the 10 years of the plan \$9.6 million in operating expenditure and \$1.5 million in capital expenditure. Investigate District-wide, rate funded recycling collection;
- Investigate options for upgrading transfer stations;
- Condition assessment of physical assets; and
- Determine community's interest in additional rural drop-off locations.



Stormwater

Council operates five community stormwater schemes, with a further seven schemes incorporated in the district's roading network.

Risks and Issues

- Renewal of NRC resource consents could result in higher quality standards for discharges into the receiving environment;
- Affordability of replacing the piped network, which is nearing the end of its expected life; and
- Increased pressure for and on stormwater infrastructure resulting from the impacts of climate change.

What's Planned

- Investigations into the equalisation of capital works charges for stormwater across the district and the potential increase of targeted rate locations;
- Over the 10 years of the plan \$10.9 million in operating expenditure (predominantly funded by targeted rates) and \$9.7 million in capital expenditure;
- Condition assessments, GIS mapping and development of a central asset database;
- Survey all coastal outfalls from the five urban townships; and
- Develop a renewal programme based on performance and asset condition ratings.

Wastewater

Council owns, operates and maintains six wastewater schemes for the collection, treatment and disposal of wastewater.

Risks and Issues

- Failure of schemes due to age and inaccessibility of assets;
- Increased costs resulting from higher environmental standards; and
- Mangawhai scheme reaches capacity in 2030, while the capacity of other schemes is unclear.

What's Planned

- Investigations into the equalisation of charges for capital works on the wastewater network;
- Over the 10 years of the plan \$63.6 million in operating expenditure (of which around 86% is funded by targeted rates) and \$34.3 million in capital expenditure. Condition assessments, GIS mapping and development of a central asset database;
- Extend and upgrade the Mangawhai Community Wastewater Scheme; and
- Develop and implement hydraulic modelling.

Water Supply

This activity involves the collection of raw water for treatment and distribution through five community water supply schemes.

Risks and Issues

- Security of supply issues, particularly through periods of drought;
- Affordability of high renewal costs;
- Mixed knowledge on assets and their condition; and
- Increased national drinking water standards increasing compliance requirements and costs of existing water supply systems.

What's Planned

- Investigations into the equalisation of charges for capital works for those who are on the water supply network;
- Over the 10 years of the plan \$25.6 million (of which around 87% is funded through targeted rates, with the remainder from user fees and charges) in operating expenditure and \$26.4 million in capital expenditure. Condition assessments, GIS mapping and development of a central asset database; and
- Review and update water safety plan.

Auditor Statement