

Title: Towards a better Kaipara

Version as at Midday 04/02/2021

DRAFT

Contents

What is a Long Term Plan?.....	5
How to have your say?.....	6
The past to present / Te wā o mua ki ēnei rā.....	7
Vision	7
Our Future and a path forward / Te tirohanga me te ara whakamua	8
Key Decisions / Ngā Whakataua	9
The Money / Te Pūtea.....	11
Rates/Income	11
Financial Strategy	11
Debt	13
Where are we spending? / Ka whakapau pūtea tātou ki hea?	18
Key Decisions / Ngā Whakataua	19
Waste minimisation	20
Background	20
Issue	20
What we're proposing	20
Option 1: Recycling crates	20
Option 2: Status Quo	21
Question	21
Water supply and wastewater rates equalisation	23
Background	23
Issue	23
What we're proposing	24
Option 1: Rates equalisation.....	24
Option 2: Ringfenced option	24
Question	24
Water Supply	24
Wastewater	26

Securing Water supplies	28
Background	28
Issue	28
What we're proposing	28
Option 1: Connecting to water storage	28
Option 2: Status quo	29
Question	29
Climate change	30
Background	30
Issue	30
What we're proposing	30
Option 1: Baseline	31
Option 2: Climate smart	31
Option 3: Climate smart plus	32
Question	32
Dargaville Civic Precinct	35
Background	35
Issue	35
What we're proposing	36
Part A: Civic Precinct	36
Option 1: Develop a Civic Precinct	36
Option 2: Status Quo	36
Questions	37
Question 1	37
Question 2	37
Part B: Council land	38
Option 1: Retain land for future use	38
Option 2: Sell for development	38
Question 3	38
Mangawhai Library Relocation	39

What we are proposing.....	39
Option 1: New library site.....	39
Option 2: Status Quo	40
Questions.....	40
Regional Economic Development CCO	41
Background	41
Issues	41
What we are proposing.....	41
Option 1: Invest in Northland Inc	41
Option 2: Status Quo	42
Closed Circuit Television (CCTV)	43
Background	43
Issue	43
What Council is proposing.....	43
Question	44
Investing in Kaipara.....	44
What will it all cost? / He aha ngā utu?	45
10-year revenue and expenditure	45
Revenue sources 10 years.....	45
What does it mean for you and your rates?	46
Sample properties	46
Auditor opinion / Whakaaro a te Kaiarotake	47

What is a Long Term Plan?

Kaipara District Council's Long-Term Plan is their blueprint for the next 10 years. It sets Council's direction for the future, and the projects and services that are planned to get us there - in line with Council's legal obligations, infrastructure needs and community priorities. The LTP summarises the financial impact of the plans, setting out our assumptions, what our expenditure will be and how it will be paid for.

This sits within three key documents:



These documents support this Consultation Document. They are available online – kaipara.govt.nz/LTP

How to have your say?

Please read this document, consider the key issues and options and give us your feedback.

You can fill out the feedback form at the back of the document or visit our website www.kaipara.govt.nz/LTP and give feedback online.

Want more information?

You can find our supporting documentation – the full draft LTP, the draft Infrastructure Strategy and the draft Financial Strategy:

- On our website www.kaipara.govt.nz/LTP
- At Council offices and service centres.

Come and visit us during our roadshow!

In March we will be around the District to discuss the LTP and answer any questions you may have.

- Mangawhai Tavern Market (inside the Tavern) Saturday 13 March 9am -1pm
- Te Kopuru (TBC)
- Paparoa Market Saturday 20 March 9am – 1pm
- Dargaville Twilight Market Friday 26 March 5pm – 7pm

OR

Join a webinar to talk about the big issues.

- Thursday 04 March 5 - 7pm
- Thursday 11 March 5 – 7pm

For more information visit www.kaipara.govt.nz or call Council on 0800 727 059.

The past to present / Te wā o mua ki ēnei rā

Kaipara District is changing. Since our last Long-Term Plan (LTP 2018-2028) we have a newly elected Council and are delivering significant projects for our community, including a capital works programme in 2021-2022 that is twice the dollar value of previous years. We have grown in size, reputation and confidence which shows in the significant Government investment we have attracted to the district in the last two years. Our small Council has similar growth challenges as many other mid-sized councils and some additional challenges resulting from a previous lack of investment in infrastructure.

Vision

In 2020 Kaipara District Council adopted a new vision, Growing a better Kaipara". This builds on the promise of our district's abundant wellbeing in our "Kaipara te Oranganui – Two Oceans, Two Harbours. It's our social, economic, cultural and environmental wellbeing that will enable our district and our communities to thrive.

The vision seeks to enhance the aspects of Kaipara which our communities love, while addressing the more aspirational goals and future challenges we're set to face. Future consideration is needed for climate change, waste and recycling, tourism and population growth.

Kaipara District is an attractive place for more and more people who want to call this place home. A key part of our vision is to enable growth in a way that is sustainable, to retain what's special about everything between our two oceans and two harbours, and to improve on this.

{Plus vision image that jasmine already has}

Our Future and a path forward / Te tirohanga me te ara whakamua

Kaipara District Council has started the new decade positively, freed of challenges of the past. Stable governance, clear management efficiencies and steady and prudent financial management have seen improvements build on improvements. In recent years Kaipara District Council has been steadily building a positive reputation within Northland and nationally. We are attracting support from the Government and additional capable staff with the necessary skills to deliver our progressive work programme. That's the benefit of having a good reputation and offering great work in a beautiful district!

Although those times are well and truly behind us, we still carry a legacy from that extended period when there was little investment in infrastructure. In addition to the financial implications, there are historical gaps in our knowledge of our assets. What we know about our pipes, roads and other hard assets has steadily improved over recent years and we continue to build the picture of our vast networks as record keeping improves. Importantly, we cannot address many years of underinvestment all at once.

For the next three years we propose to focus on getting the basics of what Council should do right. We commit to investing in maintenance and infrastructure so we can rely on our services without risk of failure.

Climate change is the biggest environmental challenge and one of the most significant issues we face today. Kaipara District is already feeling the effects of a changing climate. We have experienced cyclones and heavy rainfall, flooding, coastal inundation and erosion, and seasonal rainfall changes and drought. Extreme weather events and natural hazards impact our homes, villages and towns, our amenities and infrastructure, our work and our primary industries, our health and wellbeing, and the nature, land and water that surrounds us. These impacts are projected to become more severe and more frequent as the climate continues to change and as sea levels rise.

Through the Long-Term Plan 2021-2031 we seek to become a Climate Smart District. This means setting the foundation for communities to adapt and thrive in a changing climate. We are seeking your input on how Council can best build this foundation over the next ten years. Page X reviews a proposed climate change work programme and outlines different options to develop Council's climate change response.

You've told us roading is a priority. We're rolling out an unsealed road strengthening, and improvements programme funded by the provincial growth fund (PGF), which will be completed by the end of the first year of the new LTP (June 2022). Council will be fixing or replacing bridges and providing other transport services like shared paths, cycleways and new footpaths to help you move safely around the district and to do things that make Kaipara a great place to live, such as walking and cycling to the shops or taking the kids to the park or beach.

Next, we want to tackle some of the big challenges that feel like they are on the horizon but could be closer than we anticipate. Along with climate change, critical issues of waste minimisation and three waters (water supply, wastewater and stormwater) need to be addressed. Although we cannot completely address everything at once, the sooner we make a start and make more progress on these issues, the better prepared we will be to face the future.

The Government has also raised a number of key issues that will affect local councils, the costs of waste and landfill are set to rise, there are new rules and regulations around planning and National Policy Statements, and the proposed Three Waters Review will have impacts on our District.

Council signed a Memorandum of Understanding in 2020 and is participating in the exploration of future service delivery options for the Three Waters Review. Any decisions made around Kaipara being a part of the reform will be made in the 2023/2024 financial year. Whether services are managed by Kaipara or a new body yet to be established, the communities of Kaipara will need three waters services, and therefore we've included costings for these in the plans, like the Infrastructure Strategy, and financial planning documents.

More information on what the Three Waters reform will look like for Kaipara will be available in late 2021.

The big question is "Who should pay for this?". Every service carries a cost and many individuals and businesses in our community have been affected by COVID-19, an added challenge in the current times. Should separate communities pay the full cost of the services they alone receive, placing higher burdens on small communities, or should the cost be shared by all across the District who receive a comparable service? We ask this question in this Consultation Document and look forward to your feedback.

Our overarching plan for the next 10 years is to;

- Deliver the planned work on unsealed road network, bridges and footpaths,
- Maintain and renew current aging infrastructure,
- Provide for, and accommodate, anticipate growth in our infrastructure, such as water and sewerage systems
- Continue to find / seek additional sources of income through grants and partnerships, enabling us to keep rates affordable
- Where possible, spread the impacts of financial decisions, so ratepayers are not burdened in the first years, but to plan and prepare for the significant work coming in future years.

The projects detailed in this document contain pathways to meet these goals, where we would like your feedback.

Key Decisions / Ngā Whakataua

On the following pages we will be consulting on:

1. Waste minimisation – providing and improved recycling service across Kaipara
2. Water supply and wastewater rates equalisation – harmonising the costs of collecting and managing recycling
3. Water security – taking the opportunity provided by Central Government investment (Te Tai Tokerau Water Storage) to supplement the water supply to the Dargaville water network
4. Climate change – how much should we invest to adapt to and mitigate Climate Change.
5. Dargaville and Mangawhai civic buildings – how should we address issues with the old, unsafe and impractical buildings used to provide council services.
6. Regional economic development CCO – An opportunity to invest in a regional approach to tourism and investment, in collaboration with other Northland Councils. Closed circuit

television – administering the collection of a targeted rate to improve the roll-out of CCTV in Dargaville and Ruawai.

Comment: Intro signed by CE and Mayor as forward

DRAFT

The Money / Te Pūtea

Rates/Income

The graph shows our increase in revenue from rates over the last five years. We forecast we'll need to increase our revenue from rates every year. To deliver the first year of our plan we are looking at a 3.37% average increase, which allows for 1 percent growth.

The 'growth' allowance is based on the idea that in a given year, the number of rateable properties in the District grows by at least 1%. As land is subdivided through the year, we capture an estimate of their rates and add that into our calculations.

The projects and proposals we're consulting on in this document will add to the amount we need to collect, depending on consultation, and what the community would like to see us work towards.

A 3.37% increase in rates revenue doesn't mean everyone will receive a 3.37% increase on their rates bill. An increase in rates may affect properties differently, depending on their location and changes in land value. For example, a property where the increase in land value is higher than the average for the district may pay more in rates than others where the increase in land value is lower.

The amount you pay will depend on the rates and services your property is charged for, the type and value of your property, and the recent revaluation that was done in November 2020.

{Insert Rates graphic showing components of rates NRC, Council fixed and variable (qualitative, not quantitative)}

Financial Strategy

The financial strategy sets the financial direction of Council, guides decisions, and shows how the decisions will impact on rates, debt and Council services.

The financial strategy aims to:

- maintain a balanced budget.
- balance affordability with financial prudence (Elected Members have set a limit of 5% per year for the average rates increase (general and targeted) over the life of LTP, after allowing for an allowance for annual growth in rateable properties. Water by meter is excluded.
- manage debt to achieve intergenerational equity.
- cap net external debt at \$60 million.
- increase depreciation funding of all assets, except for transportation assets, to 100% so renewals can be funded. (Transportation assets aren't funded to 100% due to the Financial Assistance rate from NZTA).
- maintaining and providing for renewal of our existing assets is an important focus of our Infrastructure strategy, which is likely to result in higher rates in the early years of this LTP to get to the correct base level of expenditure.
- ensure Development Contributions are set to recover the cost of growth.
- use other sources of revenue to fund projects. Many projects are budgeted to be funded by grants, subsidies and financial contributions.

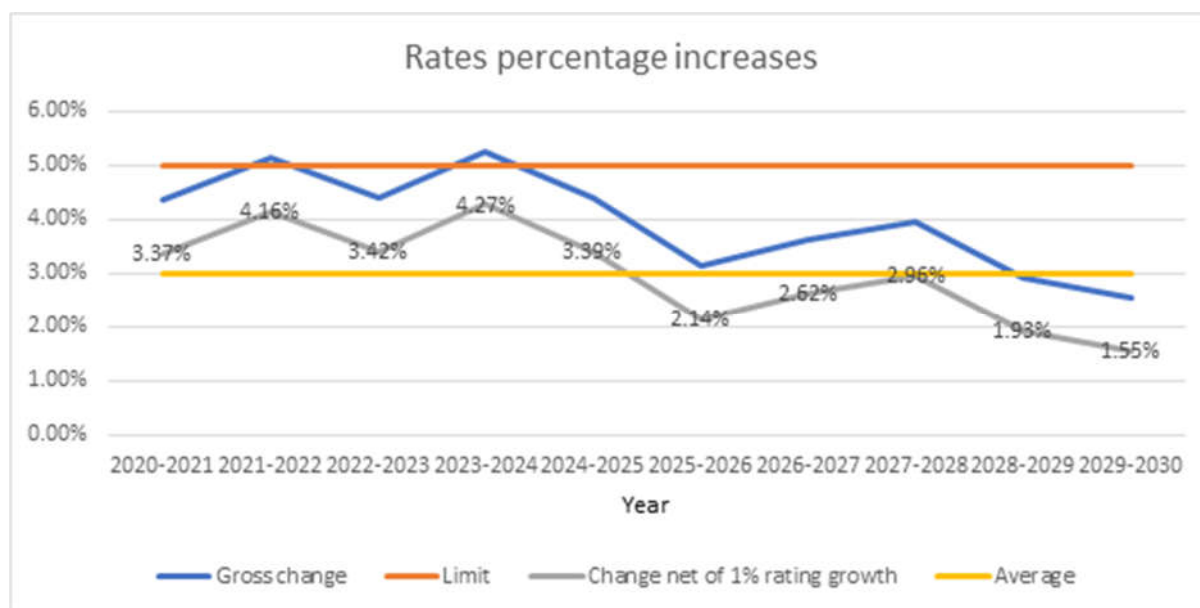
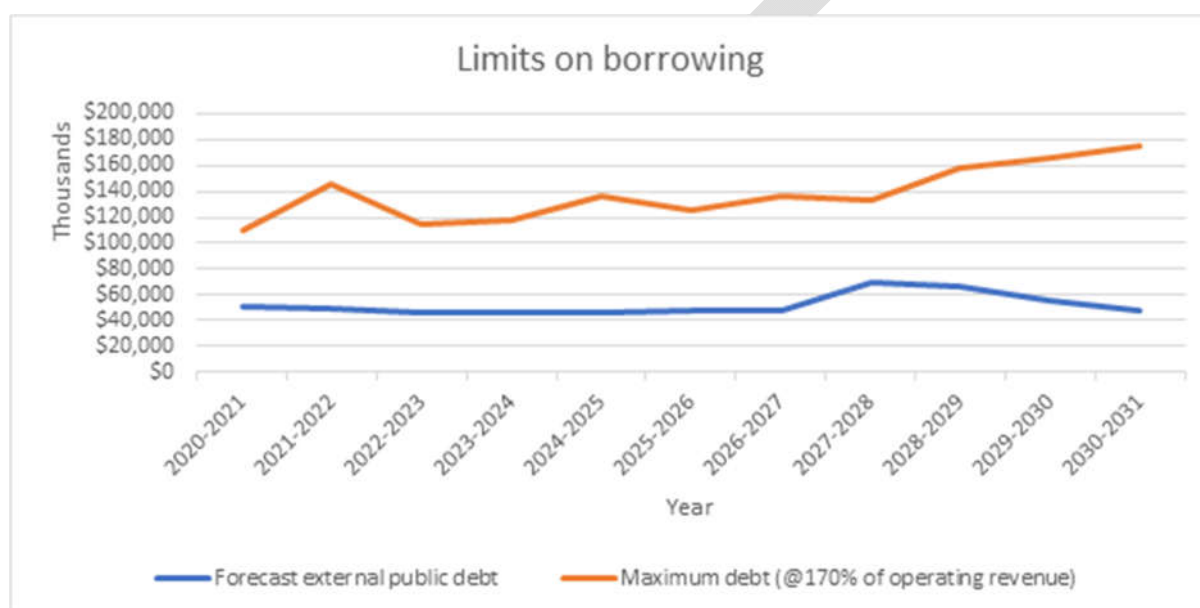


Figure: An average rate limit of 5% per annum is set by Elected Members in the Financial Strategy.

Debt

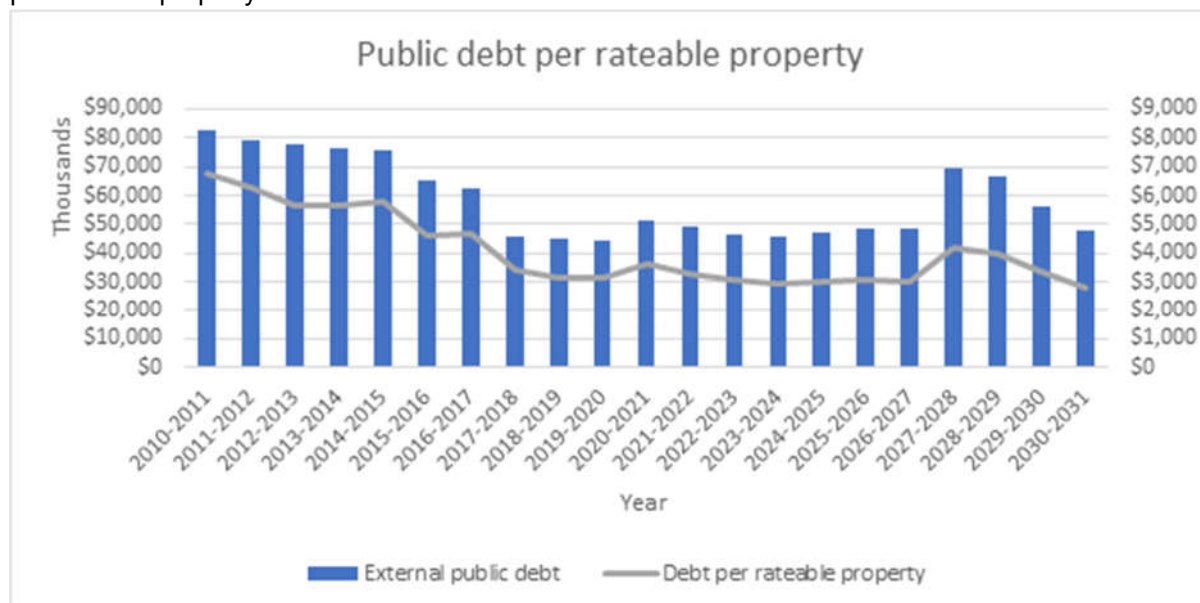
All councils set debt limits, which caps total borrowing. The limit is benchmarked by comparing the net debt to total revenue ensuring adherence to the maximum of 170%.

The graph below shows the projected debt tracking (external public debt) over the next 10 years, and its ratio to the debt limit (maximum debt levels), set by Council and our lending institutions. As you can see, we plan to remain well within our limits, being prudent so we have financial headroom capacity for emergencies or “a rainy day”. Council has more recently stated it prefers to keep debt below \$60 million. That level is forecast to be exceeded in 2 of the 10 years caused by funding for growth but is rectified by 2031.



An increasing population means there are more ratepayers and greater ability to sustain debt than previously. The graph below shows how predicted debt increases over the life of the LTP but the debt

per rateable property decreases.



During the period of the Long Term Plan 2021/2031, debt projections are generally lower than the debt requirement because of internal borrowing. Council may temporarily use reserve funds for a different purpose from that for which they were received. 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.

Public debt projections compared to public debt requirements 2021/2031

For the year ended: 30 June	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Public Debt projections	51,168	50,309	48,051	47,243	47,708	49,512	49,267	70,530	68,029	57,756	49,293
Future Reserve Obligations	8,576	11,281	11,501	11,874	12,466	13,637	13,156	14,190	16,215	17,704	19,892
Debt Requirement	59,743	61,590	59,552	59,117	60,174	63,149	62,423	84,721	84,244	75,460	69,185

Factors impacting on the Council to consider

Annual Population growth forecasts 2021-2031

Area	Forecast Population 2021	Forecast Population 2026	Years 1-5 Growth	Forecast Population 2031	Years 6-10 Growth
Dargaville	5,149	5,540	7.06%	5,764	3.89%
Kaiwaka	2,236	2,403	6.95%	2,520	4.64%
Mangawhai	6,086	7,630	20.24%	9,040	15.60%

Maungaturoto	1,331	1,459	8.77%	1,539	5.20%
Ruawai/ Matakohe	2476	2490	0.56%	2,474	-0.65%
Rest of District	7,322	7,317	-0.07%	7,187	-1.81%
Kaipara District Total	24,600	26,839	8.34%	28,524	5.91%

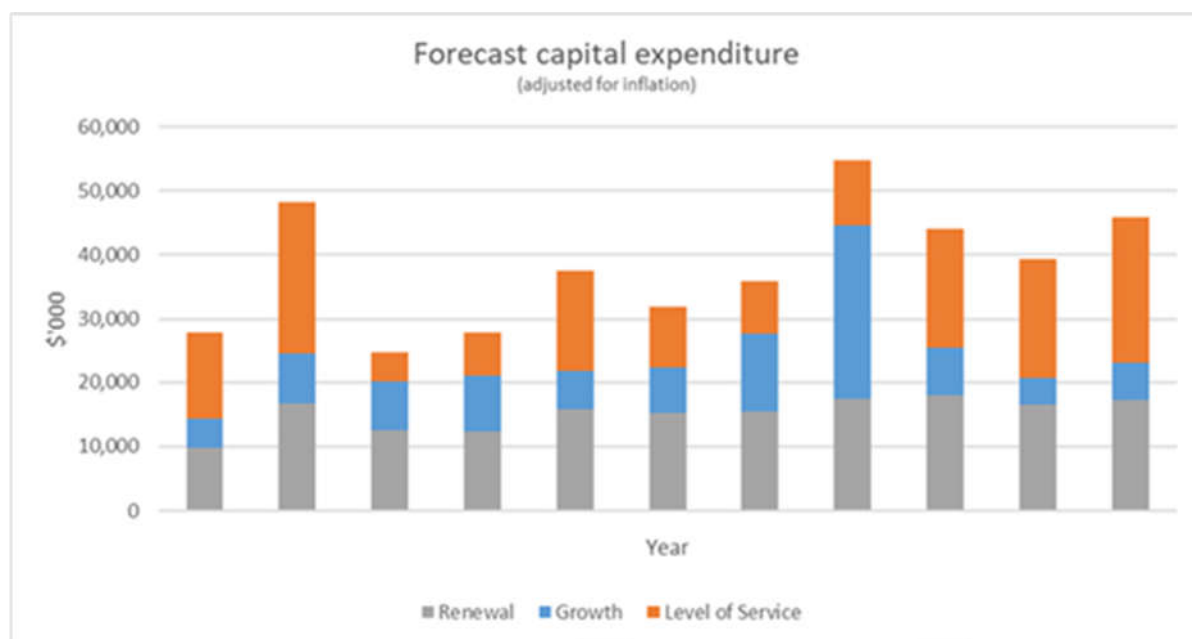
Area	Forecast Population 2021	Years 1-5 Growth	Forecast Population 2031	Years 6-10 Growth
Dargaville	5,540	1.48%	5,764	0.8%
Kaiwaka	2,403	1.45%	2,520	0.9%
Mangawhai	7,630	4.63%	9,040	3.4%
Maungaturoto	1,459	1.85%	1,539	1.0%
Ruawai/ Matakohe	2490	0.1%	2,474	-0.1%
Rest of District	7,317	-0.01%	7,187	-0.36%
Kaipara District Total	26,839	1.76%	28,524	1.23%

The ongoing projected population and housing growth creates demand for additional capacity in our infrastructure. Over these 10 years, Council is estimating a further 2,077 households will be created.

The community has told us that it is most important to look after the existing assets so that the level of service can be maintained.

Parts of the network were failing where renewals had not occurred as scheduled. This LTP provides for reinvestment in existing infrastructure at higher levels than in the past to address the historical underinvestment and improve services to meet community expectations.

Provision has been made for an increased renewals work programme to progress projects not undertaken in the past, so that in future critical assets are not run to failure.



The Council has a large capital expenditure program, which will be challenging to complete. Much of the programme is for renewals, with some provision for new initiatives and growth. Central government has supported the regions and Council has been successful in applying for capital projects to be fully subsidised. Many of these subsidised work programmes will be constructed in the early years of the Long Term Plan 2021-31. There are also many future projects that are budgeted to be funded by grants, subsidies and financial contributions over the life of this LTP.

If the funding sources are not confirmed, then the associated projects won't be completed in the stated year and will be deferred until funding can be obtained.

Funded depreciation of Council assets will be provided for by 2022, except for the Mangawhai wastewater system which will be fully funded by 2025.

Climate-related risks:

Like many other councils across Aotearoa New Zealand, Kaipara District Council is currently working to better identify and understand climate-related risks to finance and revenue (the risks climate change presents to our finance and revenue activities). A strong understanding of risks, impacts and implications is a first step towards developing a management response. We recognise that climate-related risks will likely exist for Council revenue and for our operational and capital works costs, and will increase as a response to climate-related risks. Council will also develop a disclosure process to ensure transparency and accountability. For more information, and to read the full financial strategy, visit kaipara.govt.nz/LTP

Revenue and Financing policy

Our updated Revenue and Financing policy simplifies and clarifies how the Council apportions rates and makes the process more transparent.

Changes proposed to the policy from LTP 2018-2028

1. Wastewater targeted rate. The percentage of funding attributed to private individuals by way of targeted rate has reduced from 100% to 95%. This was to recognise that all those living in the District have the benefit of a nice clean harbour, and public toilets through having Council owned wastewater systems.
 2. Mangawhai Community Plan rate differential. The previous LTP 2018-28 provided for a differential on the general rate charged to those in Mangawhai to reflect the planning, development, and construction work being carried out as part of the Mangawhai Community Plan. We are proposing a change to the rate differential as many projects throughout the District can be funded directly from financial contributions or Government grants, and those that can't are funded through the general rate. Much of the Mangawhai Community Plan will be funded by financial contributions.
 3. The funding analysis split has been changed from broad percentage categories (eg 0-33% Low, 34-66% Medium 67-100%) to an exact percentage with actuals needed to come in at plus or minus 10% of the percentage.
 4. Other draft changes made to the Revenue and Financing Policy reflect potential new targeted rates discussed elsewhere in this consultation document:
 - a. Recycling Targeted Rate
 - b. Safer Communities Targeted Rate
 - c. 'One Bucket' System for Wastewater (Equalisation)
 - d. 'One Bucket' System for Water (Equalisation)
- See page XX for more info on Rates and sample property impacts

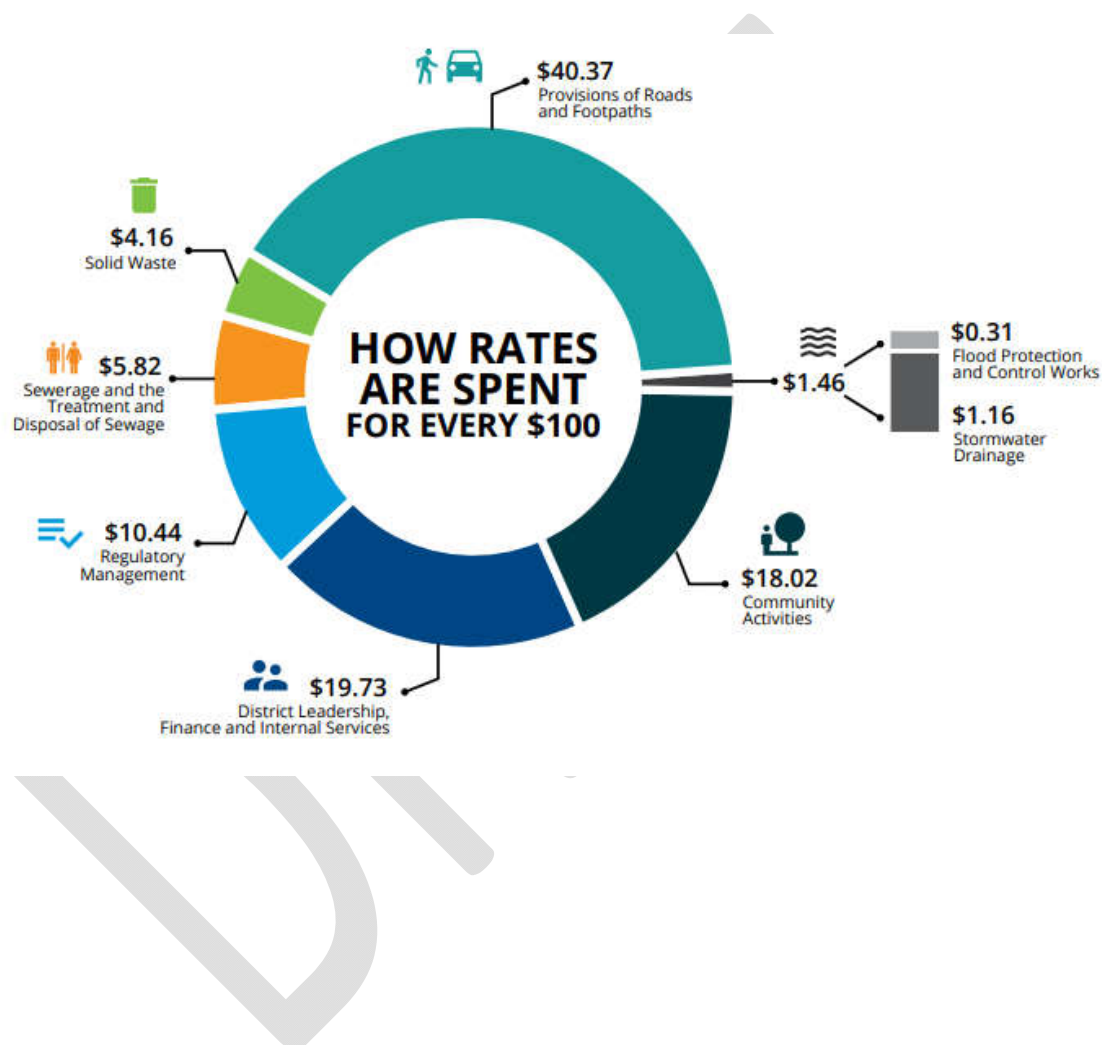
For more information on this see our draft Revenue and Financing Policy at kaipara.govt.nz/ltp

{Include more info on QV and property revaluation and it's impacts once that has been decided}

Where are we spending? / Ka whakapau pūtea tātou ki hea?

Over the next 10 years (2021 – 2031) we plan to spend in the following areas.

Activity profiles can be found on our website that detail the Council's work, broken down by areas shown below. [In summary \(Waipa\)](#)



Key Decisions / Ngā Whakataau

[Callout] For each initiative we've tried to show what impact it will have on rates. For variable rates (general rates) the cost will be different for each ratepayer, depending on the value of your land. For that reason, we have described the impact as a percent. You can use the following table to estimate what the cost impact may be for you.

For example, if your land is worth \$200,000, for every percent of rates rise, the cost will be approximately \$12.90. If the percent rates rise is 2.5% the increase in rates will be \$32.25 (2.5 x \$12.90)

Your land value (\$)	Dollars relating to each 1% percent rate rise/year
200,000	\$10.99
500,000	\$27.49
1,000,000	\$54.97

Waste minimisation

Background

Two years ago, we sought feedback from the community about the way we collect rubbish and recycling and found there is appetite for change.

Of 513 respondents 43% of people surveyed spent \$3-5 per week on rubbish and recycling and 34% spent \$5-10 per week. Only 2.7% spent less than \$2 per week.

There is a wider global issue around recycling, and how we deal with our waste. Central government is looking at creating a set of standards for every Council to follow around what materials must be collected. Government is also proposing to increase the cost to landfill operators.

The Government decides how much a company must pay to dump a tonne of rubbish to landfill, or what is spent to close and manage the environmental impacts of a rubbish dump in the future. These costs are likely to increase and the cost would be passed on to users to incentivise them to reduce the amount of waste they produce.

Issue

We're looking at ways to reduce household waste by making recycling easier across the District.

Kaipara has a poor track record for recycling. In summer 2020, a snapshot audit of rubbish bags found 860kgs of 3196kg (27%) could have been recycled.

Providing crates for recycling has proven impacts in reducing the amount of household waste that goes into waste and rubbish facilities, as crates make it easier and more accessible for people to recycle.

Whangārei District Council found that collecting glass separately to other recyclables increased glass recycling by 20 per cent.

What we're proposing

Option 1: Recycling crates

We're proposing every household would get two crates for recycling (one for glass, one for cans and plastic with paper bundled separately), that would be collected kerbside (or if you're in a rural area, from a dedicated collection point). As part of this change, recycling could also be taken to any transfer station free of charge (removing the current per load fee).

{picture included for size comparison}

The recycling service would be funded by an average targeted rate across the Kaipara District of \$146 per household per year. The first year would be a little higher to cover implementation costs, then drop to \$126 in year 2, and increasing to \$164 at year 10. Costs would include two supplied crates, one for glass and one for other recycling and the operational costs of collection. They would

also include the increased costs of collection, which covers the increased time and labour required to handle and empty the crates. This is proposed for year two of the Long Term Plan (2022/2023).

Using bins would eliminate the cost of recycling bags and could reduce the cost of rubbish bags by an average of 27% per household. At a rate of one blue bag and one yellow bag per week that would equate to \$121/year saved on bags. **{insert graphic showing estimated reduction to landfill of not sending recycling to waste}**

Option 2: Status Quo

Currently household rubbish is collected in user-pays blue bags, which will continue.

Ratepayers would continue to buy their own yellow recycling bags, depending on use. Those that do not recycle would continue to pay to dispose of their recycling in rubbish bags. Charging at transfer stations would continue.

Question

How should Council better manage its recycling collection?

1. Option 1 Recycling crates (preferred).
2. Option 2 Status Quo.

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE (RECYCLING CRATES)	Average increase \$146/year from year 2	\$400,000-500,000 over 5-7 years for bin purchase	Increased by introducing recycling bins, and no cost to use transfer station for recycling	Easier to recycle, resulting in reduced waste to landfill. Eliminate cost of yellow bags (\$78/year at 1 bag per week). Reduce cost of blue bags (saving \$44/year at 27% of one bag per week)
OPTION TWO (STATUS QUO)	No impact	No impact	No change	Ratepayers continue to pay for yellow bags (or additional blue

bags) for recycling or pay to take their waste to transfer station.

{Key Documents Icon}

For more information on this visit kaipara.govt.nz/ltp

- Infrastructure strategy
- Waste Minimisation Plan

Water supply and wastewater rates equalisation

Background

The Council provides drinking water and wastewater systems to parts of the district, which is paid for by ratepayers who receive that service.

The 5 water supply networks service 3,627 properties, or 23 percent of the district. There are 6 wastewater networks that service 5,355 properties, or 36 percent of the district. There are an estimated 14,800 rateable properties in Kaipara.

Having clean rivers and waterways is important for the community's health and is part of the attraction of Kaipara. Maintaining our waterways benefits all our communities.

Currently, the capital costs to build and upgrade each network are paid for by those serviced by the scheme, and the operating costs (including the cost of desludging, which is akin to a capital cost but is budgeted as an operational cost) are shared across all schemes, except for those on the Te Kopuru wastewater scheme, which is treated differently. Te Kopuru pays for the entire capital and operational costs of their scheme, which was a historical decision made in the 2012 Long Term Plan. This will not be an option in future.

Those who are serviced by a network, but who are not connected to it, pay 75% of the service fee to contribute to the network supply costs. Having the potential to connect to drinking water or wastewater systems adds value to a property and the opportunity for owners to benefit from the service if they wish to. Charging for properties that are capable of connecting spreads the cost of supply across those who can and those who do benefit from it.

Issue

Rates for drinking water and wastewater management are inconsistent across the district. Connected households receive the same level of service for their treated drinking water and wastewater management, but pay different amounts for the service, depending on where they live and the work required on their system.

Currently, drinking water and wastewater are not charged consistently across the district and the targeted rate is complex and costly to administer. Te Kopuru is managed differently from other schemes, and desludging, which is akin to a capital cost (large cost occurs every 15 years) is paid collectively by ratepayers of all the schemes.

Only those receiving drinking water or wastewater services pay for them, although everyone enjoys the benefits of town supply and having a clean environment.

If charges were not equalised, only people in Mangawhai would pay for future expansions to their wastewater scheme. Likewise, only ratepayers on the Dargaville drinking water scheme would pay to connect to the water storage currently planned by the Te Tai Tokerau Water Trust. Those on small schemes, such as Glinks Gully Water network, or the Te Kopuru wastewater system, would incur a high cost for maintenance because it would be shared only by a small group of ratepayers. This would place a heavy burden on a small community. In a future without equalisation any system development would be paid for only by the people it directly services.

What we're proposing

Option 1: Rates equalisation

We're proposing to equalise the costs of operating water supply and wastewater services across those who are connected to, or are capable of being connected to, the networks. This would allow for a more even share of costs and benefits and reduce 6 current targeted rates for wastewater to one. Water will be charged by volume, instead of through separate rates for each of the five schemes.

{Infographic}

We're proposing the same, single fixed cost for wastewater and volumetric rate for water for anybody connected to, or capable of being connected to, our council supplied network. Everyone who is connected would continue to get the service they do now when they turn on the taps or flush the toilet. Paying the same connected yearly rate (which pays for the plant and overhead costs) and paying a uniform supply amount (based on how much water you use as a household) would even out the cost of maintaining the service for those connected to the network.

It means the cost of increasing the capacity or reliability of the schemes would be shared by everyone who is on a Council wastewater scheme and reduce the significant burden of maintenance to those on small schemes.

There will be some financial impacts to align everyone. Smaller networks will have a larger cost jump initially but will enjoy greater benefit when renewals and maintenance are costed across the wider pool of people in later years when renewals are required. This proposal spreads the increase of these initial changes for the smaller networks over a three-year period.

Option 2: Ringfenced option

This option is to entirely ringfence every network. Ringfencing would make connected users of a network, either water supply or wastewater, financially responsible for the work needed to maintain and operate that system.

Connected users would have to pay for any costs needed to bring a system up to standard to meet its consents or for any materials that need to be repaired or replaced.

While the council would manage the plant, all associated costs, both from the overheads of the system and the metered supply costs of water, would be paid by the direct users. This means, in some years, expenses could jump significantly, depending on what needs to be repaired and replaced or what work is needed to meet the standards.

Question

Water Supply

How should Council charge for drinking water supply to networked houses?

1. Option One Equalised rate (Preferred)
2. Option Two – Ringfence every network

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE EQUALISED	Change depends on location More detail below	No impact	No impact	More even spread of costs over time and across ratepayers. Everyone pays same amount for same service.
OPTION TWO RINGFENCED	Change depends on location More detail below	No impact	No impact	Fluctuating and disproportionate costs across ratepayers, depending on work needed for each system.

Household of 2 people	Per year (based on assumed usage 175 m3)		
	Current year (\$)	Next year (equalised) (\$)	Next year (scheme by scheme) (\$)
Dargaville	643	919	725
Glinks Gully	627	919	3,498
Mangawhai	767	919	4,083
Maungaturoto Station Village	1,013	919	1,726
Maungaturoto Township	1,028	919	1,726
Ruawai	1,183	919	1,962

Household of 4 people	Per year (based on usage 245 m3)
-----------------------	----------------------------------

	Current year (\$)	Next year (equalised) (\$)	Next year (scheme by scheme) (\$)
Dargaville	849	1,163	913
Glinks Gully	735	1,163	4,747
Mangawhai	1,023	1,163	4,929
Maungaturoto Station Village	1,297	1,163	2,187
Maungaturoto Township	1,324	1,163	2,187
Ruawai	1,563	1,163	2,610

Wastewater

How should Council charge for wastewater services to networked houses?

1. Option One Equalised rate (Preferred and used in this LTP targeted rate calculations)
2. Option Two – Ringfence every network

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE EQUALISED	Change depends on location More detail below	No impact	No impact	More even spread of costs over time and across ratepayers. Everyone pays same amount for same service
OPTION TWO RINGFENCED	Change depends on location More detail below	No impact	No impact	Disproportionate costs across ratepayers, and costs that fluctuate depending on work needed on each system.

These are the current costs, compared with the proposed costs for each of the schemes. The costs below are for those that are connected. Those deemed capable of connecting will be charged 75% of this figure, and those with pans charged 50%.

Option A											
Equalised	Current	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	(see										
All schemes	below)	\$1,044	1,084	1,125	1,166	1,193	1,236	1,307	1,398	1,449	1,494
Option B											
Ring fenced		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Dargaville	\$920	665	703	715	726	709	723	767	857	883	908
Glinks	\$1,298	3,130	3,785	3,345	3,409	3,544	3,681	3,761	3,684	3,856	4,038
Kaiwaka	\$1,150	1,675	1,551	1,572	1,543	1,647	1,684	1,738	1,786	1,898	1,945
Mangawhai	\$1,356	1,253	1,322	1,397	1,480	1,536	1,607	1,701	1,779	1,850	1,914
Mangaturoto	\$1,258	1,507	1,412	1,445	1,427	1,466	1,509	1,600	1,806	1,855	1,882
Te Kopuru	\$667	860	898	938	949	973	998	1,036	1,123	1,152	1,183

{Key Documents Icon}

For more information on this visit kaipara.govt.nz/ltp

- Infrastructure strategy

Securing Water supplies

Background

The water supply to Dargaville and Baylys Beach is drawn from the Kaihu river that reduces flow in summer. The Council is unable to draw extra additional water from the river without compromising the environment. We need a new solution.

We want to ensure our future generations have access to drinking water even during drought. To do this we are looking at partnering with the Tai Tokerau Water Trust water storage project based in Te Kopuru, benefiting Dargaville.

In Maungaturoto we are planning a tanker-filling water station using central Government funds, which will service the eastern side of the district. There is also a need for tanker filling facilities in the west.

Issue

Increasingly dry summers continue to put pressure on drinking water supplies, resulting in ongoing water shortages for Dargaville and Baylys Beach.

With heavy demand on Auckland and Whangarei water supplies, councils are restricting water supply access to those outside their districts. This will affect Kaipara residents if there is another drought like 2019/2020.

What we're proposing

Option 1: Connecting to water storage

This proposal involves connecting to a water storage dam created by the Tai Tokerau Water Trust for raw water supply. The Council would build and connect a small-scale water treatment plant near Te Kopuru and connect the treated water to the existing water network across Dargaville and Baylys Beach. Although the work has not yet been designed, connecting this supply is estimated to cost \$2.1 million. There will be additional costs to buy the water, but they are unknown and have not been included in this LTP.

Ability to access a supplementary water source during the summer drought months would help to keep Dargaville and Baylys Beach residents and businesses supplied with water. It wouldn't end the restrictions but would allow us to lengthen the time before moving to the next water restriction level during a summer period.

There is also a public good element to this plan. Dargaville services a broad range of people in the district with larger shops and businesses, including the Silver Fern Farms freezing works. Providing secure water supply is fundamental for business, and it can provide opportunities that would not otherwise be available. Sharing the costs of maintaining these networks keeps businesses operating and provides confidence for new places to open.

Depending on the decisions made around rates equalisation, the costs of this work may be shared by all those connected to council water supplies, or if systems are ringfenced, paid only by those

Dargaville and Bayllys Beach residents who receive the Council water supply . Those costs are broken down in the table below.

The costs displayed below are based on an estimate of costs for planning purposes. The actual cost of the entire project is yet to be confirmed.

Option 2: Status quo

Dargaville will continue to be affected by water shortages, likely to become more severe over time. Tank water will need to be trucked across the district.

Question

Should users of Council’s water supply systems pay for a connection to the Tai Tokerau Water Storage solution, and the development of a water treatment plant in Te Kopuru?

1. Option One: Connection to water storage (Preferred)
2. Option Two: Status quo

OPTION	IMPACT ON RATES		IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE A (WITH EQUALISATION) CONNECTION TO WATER STORAGE	\$0.19 per m ³ if equalised across all scheme ratepayers		\$0.788m reducing over 20 years	Improved security of supply easing the need for water restrictions.	Increased community and business confidence.
OPTION ONE B (WITHOUT EQUALISATION)	From 2024 \$0.22 per m ³ for Dargaville ratepayers		\$0.788m reducing over 20 years	Improved security of supply easing the need for water restrictions.	Increased community and business confidence.
OPTION TWO STATUS QUO	Minimal	None	Increasing water restrictions during times of drought.		Reduced community and business confidence.

{Key Documents Icon}

For more information on this visit kaipara.govt.nz/ltp

- Infrastructure strategy

Climate change

Background

Kaipara District Council agrees with the scientific evidence that shows climate change is having tangible effects on our environment that will escalate in the future.

In 2019 Mayor Smith signed the New Zealand Local Government Leaders' Climate Change Declaration. As a Council we are committed within our financial and legal limits to do what we can to understand, plan for and respond to climate change. Government legislation also sets out the minimum required response for councils.

We commit to identify and manage climate risks, to adapt to change sustainably, and to build resilience. This is our adaptation response.

We are also committed to measuring, reporting and managing Council emissions footprint. This is part of our mitigation response.

Council has already started laying the groundwork for stronger, more informed climate change planning and response. Our two major strategy and planning documents, the current 2018-2028 Long Term Plan and the operative District Plan identify potential major impacts due to climate change and sea level rise.

We are part of the Climate Adaptation Te Tai Tokerau regional staff group and will participate in a Joint Climate Change Adaptation Committee. This is an official Te Tai Tokerau-Northland committee made up of elected members and Mana Whenua representatives, formed to help guide regional climate change adaptation.

We are underway with our first baseline emissions measurement and Council footprint report, looking back at our 18/19 financial year. The footprint report will be made publicly available and will show what Council activities produce the most emissions.

There is no budget dedicated to climate change strategic planning and response in the current 2018-2028 Long Term Plan. Council has yet to resource further climate change action until the start of the 2021 Long Term Plan.

Issue

Although we are committed to climate change action, Council has not yet carried out strong and strategic adaptation and mitigation.

What we're proposing

We propose a series of climate change works to ensure Council meets its climate change responsibilities. This work will enable us to understand impacts and implications at a local level and to provide strong leadership and community support.

The work will develop in phases over the next ten years and includes:

- Climate Smart Policy, 2021-2022: Sets clear direction and standards on how we identify, understand and consider climate change throughout Council.
- Climate Action Plan/s, 2021-2024: Short, medium and long-term actions across Council to address climate change and support community. Actions will focus on our mitigation and adaptation commitments, reducing emissions and growing resilience. Community actions will be created with Mana Whenua, communities and district-wide stakeholders through a series of workshops, forums and other community engagement events.
- Regional Adaptation Strategy, 2021-2031: Regional collaborative work to increase resilience and the District's ability to adapt to change. Running 'Adaptive pathways' projects to support communities in our coastal environments. 'Adaptive pathways' is a process to help communities decide on the best ways to adapt and make decisions in the future. Council will facilitate 'Adaptive pathways' project with priority communities, which will include neighbourhoods, community groups, Mana Whenua, businesses, and stakeholders.
- Communications Platform, 2021-2024: Improved communications around climate change projections, impacts, risk and response.

We have identified three options for how we may do this work and we need to hear from you. How strong would you like Council's climate change response to be?

There are three options: Option 1 Baseline, Option 2 Climate Smart, Option 3 Climate Smart Plus.

Option 1: Baseline

Option 1 Baseline is already included in this long term plan and built into the proposed \$3.37% rates increase (so does not add further to the base rate). This work sets Council up to meet current and anticipated legislative requirements. It is the minimum work required to carry out our climate change responsibilities and requirements, which come from our resource management, natural hazards and risk management obligations. Some of the legislation that determines these obligations include the Resource Management Act 1994, Local Government Act 2002, Building Act 2004, Civil Defence Emergency Management Act 2002 and Climate Response Act 2002.

Baseline includes:

- Climate Smart Policy: Policy to set clear direction and standards for Council on how to identify, understand and consider climate change.
- Climate Action Plan/s: One combined action plan with short, medium and long-term actions to reduce Council emissions and support community resilience. The plan will develop from a series of community events to identify climate change concerns, needs and opportunities.
- 'Adaptive pathways' decision-making with two priority coastal areas of the district. Council will support communities, Mana Whenua, stakeholders and businesses of each area to make decisions on how to adapt and to come up with a strategy for future adaptation. The 'adaptive pathways' areas will be decided in 2021 by Council through a district-wide risk assessment process.

The costs of the Baseline programme is set out at \$1.5m over 10 years.

Option 2: Climate smart

- Climate Smart Policy: Same as above.

- Climate Action Plan/s: Three action plans: Adaptation Action Plan, Mitigation Action Plan, and Sustainability Action Plan. Each plan will commit Council to short, medium and long-term actions. The plans will develop from a series of community events to identify concerns, needs and opportunities on mitigation, adaptation and sustainability. Three action plans mean a substantial increase in climate change action and in community engagement and support.
- 'Adaptive pathways': Same as above.

The cost of Climate Smart programme is \$1.8m over 10 years.

Option 3: Climate smart plus

- Climate Smart Policy: Same as above.
- Climate Action Plan/s: Same as above.
- 'Adaptive pathways': Expands the 'Adaptive pathways' to three priority coastal areas. Council will support Communities, Mana Whenua, stakeholders and businesses of each areas to make decisions on how to adapt and to come up with a strategy for future adaptation. The three areas will be decided by Council in 2021 through a district-wide risk assessment process. This is the strongest action on adaptation.
- Council resourcing: Provides an additional full-time, senior staff position dedicated to climate change strategy, planning and action.

The cost of Climate Smart Plus programme is \$3m over 10 years.

Question

How much should Council commit to climate change planning and response?

1. Option One: Baseline, \$1.5m over 10 years (preferred).
2. Option Two: Climate Smart, \$1.8m over 10 years.
3. Option Three: Climate Smart Plus, \$3m over 10 years.

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS

OPTION ONE - BASELINE	Average of 0.5% already included in 3.37% average rates increase.	No impact	<p>Increase in mitigation and adaptation planning and response services.</p> <p>Will help Council respond to and plan for climate change with our roads, water supply, wastewater, stormwater and flood protection and drainage services.</p>	<p>Increased community engagement on climate change.</p> <p>Changes to Council business to support resilience, adaptation and to transition to low emissions.</p>
OPTION TWO - CLIMATE SMART	Average of 0.6%, which is 0.1% above the baseline level	No impact	<p>Substantial increase in mitigation, adaptation and sustainability planning and response services.</p> <p>Will help Council respond to and plan for climate change with our roads, water supply, wastewater, stormwater and flood protection and drainage services.</p>	<p>Substantial increase in community engagement on climate change.</p> <p>Changes to Council business to support resilience, adaptation and to transition to low emissions.</p>
OPTION THREE – CLIMATE SMART PLUS	Average of 0.9% , which is 0.4% above the baseline level	No impact	<p>Largest increase in adaptation planning and response services.</p> <p>Largest area of coverage for climate change response and planning around to and plan for climate change with our roads, water supply, wastewater, stormwater and flood protection and drainage services.</p>	<p>Increased community engagement on climate change.</p> <p>Changes to Council business to support resilience, adaptation and to transition to low emissions.</p>

{Key Documents Icon}

For more information on this visit kaipara.govt.nz/ltp

DRAFT

Dargaville Civic Precinct

Background

There are four Council-operated buildings within the Dargaville town centre: the Council offices, the Municipal Chambers, the Northern Wairoa War Memorial Hall, and the Dargaville Public Library. The condition of these buildings ranges from decent to poor.

The Council office is an important space as it houses one of Dargaville's biggest employers, the Kaipara District Council. The Northern Wairoa War Memorial Hall and Municipal Chambers is the primary arts, cultural and community facility in Dargaville.

The Council is committed to protecting the historic Municipal Chambers and Northern Wairoa War Memorial hall, which are well used community assets.

Issue

The Dargaville Civic Precinct Project is to make the Council buildings safe, usable, financially beneficial and modern.

The poor state of the buildings presents a number of risks to the Council and the communities that use them: ;

- The Municipal building (1923), which houses the cinema, needs a seismic upgrade.
- War Memorial Hall (1950s) or Town Hall is sound but connected on three sides by an annex which is not sound.
- The 1990s annex that links the Municipal Building and War Memorial Town Hall is not weather tight and is growing unhealthy mould. Since late 2020 large parts of the building have been sealed off and are not usable. The spaces are not well designed and consequently are not well used. The cost of remediating this extension is expected to be over \$5 million, which is not economic. The cost of upgrade would be a further \$10-12 million.
- The Council office building would require substantial upgrade to remain in service. The 1990 extension is not weather tight and rain leaks inside, it contains asbestos, there is no ventilation or heating, there are no lifts and the office spaces are small. The cost of remediating and upgrading the offices would be \$7.5 – 10 million, which is uneconomic. The Northland Regional Council is constructing a new building to be partly leased by Kaipara District Council for operational staff.
- The Dargaville Public Library space is inadequate to provide the level of service needed by Dargaville and surrounding areas.

{insert images of buildings with summary of issues}

If we do not demolish or remediate the Council Building, the Town Hall complex and Library they will continue to deteriorate and eventually be closed as they will become unsafe.

This proposal addresses these issues through smart and proactive planning to develop a revitalised Dargaville Civic Precinct.

What we're proposing

Part A: Civic Precinct

Option 1: Develop a Civic Precinct

We're proposing to form a Community trust to develop a 'Civic Precinct' to co-locate compatible people-attracting activities.

In addition to a new library and protecting the Northern Wairoa War Memorial Hall and Municipal building, which includes the cinema; the civic precinct would seek to leverage opportunities to create office space for other professional services and cultural facilities. This facility will be multi-use and therefore also be suitable for holding Council meetings/ceremonies.

Council offices often attract professional service businesses to locate their premises nearby. Because the stock of quality offices in Dargaville is limited there is an opportunity to bring in other service businesses that require quality offices.

In addition, the lack of an identifiable cultural facility to showcase Kaipara's rich tangata whenua stories is another attraction that could be developed in the civic precinct.

The idea of a community-led 'civic precinct' is one that is well-documented and has gained traction as a means to reflect the character of communities, while providing key services and generating positive social activity. A successful example is the Te Ahu centre in Kaitia where a community-led trust partnered with the Council to develop a community space.

A trust would be established that could attract funding Council cannot access. This would fund the precinct development at no cost to ratepayers.

{This topic will involve pictures of buildings}

The current Council offices would be demolished and a temporary green space developed, as part of the overall civic precinct. The land would be retained by the Council for possible future expansion of the civic precinct, or some other public or community use in future.

Under this proposal:

- The existing Municipal Building and Northern Wairoa War Memorial Hall annex would be demolished (\$0.4 million). The Municipal Building and Northern Wairoa War Memorial Hall would be reclad and reinstated as separate buildings (\$1.1 million). The reclad cost would be funded through depreciation.
- A trust would be established to oversee the building of a new library/civic complex.
- Council offices would be demolished and land retained for future use (\$0.5 million).

Option 2: Status Quo

The focus for the Dargaville Civic precinct has been to

- Protect the Municipal building
- Focus on minimising the impact on the cinema (in municipal building)

- Continue to operate the library in its current location

This approach is not sustainable in the long term.

Questions

Question 1

Should the Council demolish the 1990s leaky annex at 37 Hokianga Road and repair and reinstate the two, separate older buildings (Northern Wairoa War Memorial Hall and Municipal building)?

Option 1 Yes (preferred)

Option 2 No

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE YES	1.4% for demolition	None		Provides space for purpose-built building
OPTION TWO NO	No impact in the short term, however there will be costs of disposal in the long term.	No impact in the short term, however there will be costs of disposal in the long term.		Progressive loss of use of buildings over time with demolition likely at some stage to maintain public safety. Loss of opportunity for future use of land near civic precinct.

Question 2

Do you support development of a new building adjacent to the War Memorial Hall and Municipal Building to house the Library and a community hub.

Option 1 Yes (preferred)

Option 2 No

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE YES	No impact. Trust would seek external funding to develop community hub	No impact	New library and community-designed spaces available for public use	Temporary site for library required
OPTION TWO NO	No impact	No impact	Ongoing insufficient Library services Fewer venues available for public use	Ongoing rent for council meetings venue

Part B: Council land

Option 1: Retain land for future use

It is uneconomic for the Council to remediate and modernise the current Council building for new functions.

The Council proposes to demolish the existing building following relocation of Council staff to the Kaipara Service Centre, currently being built by Northland Regional Council at 32 Hokianga Road. The vacated area will be turned into green space as part of the civic precinct. The land would be retained and made available for future use, such as a new public or community development.

Option 2: Sell for development

The council could sell the building to a developer. The poor condition of the building and old interior mean it is unlikely to bring much return, estimated at around \$0.5 - \$1million.

Question 3

Do you support the Council retaining the land at 42 Hokianga Road, that the council office building is currently on, for future use?

Option 1: Demolish Council Offices and retain land (preferred)

Option 2: Sell the office block

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE DEMOLOSH COUNCIL OFFICES AND RETAIN LAND	1.7% for demolition and green space	No impact	No impact	
OPTION TWO SELL OFFICE BLOCK	No impact	Reduction in debt by amount of sale	No impact	

Mangawhai Library Relocation

Background

Mangawhai and surrounding rural area is Kaipara District's fastest growing settlement, with the population increasing from 3,144 in 2013 to 5,031 in 2018 - a 60% increase (Census 2018). The population forecasts are to grow to 9,041 in 2031 through to 12,718 in 2051. The population increase has supported the viability of a proposed large commercial development and the possibility of extending the residential and commercial zoning in Mangawhai Heads and Mangawhai Village.

It requires a corresponding growth in Council services and accommodation for Council functions.

Issue

Existing civic facilities in Mangawhai, such as the library, are currently inadequate to meet the practical needs of their current and future community. The existing community-run library, an annex building next to the Mangawhai Hall has limited space, media capabilities and hours available for the growing Mangawhai community. The projected growth in permanent population across the Mangawhai area will result in more pressure on the existing community infrastructure. This signals the need for new and larger public amenities.

The Mangawhai Spatial Plan has identified a need to assess options for improving the Council library and sports field facilities in the future, starting with the library.

What we are proposing

Option 1: New library site

The Council is proposing steps to establish a new library for Mangawhai. Over the next three years Council proposes to secure a site to develop a new library and plan the development.

Council has recently looked at potential locations for a new library in Mangawhai. While several options such as Wood Street and Mangawhai Community Park were considered, Council believes the two locations that provide the best outcome for now and the future to be either in Mangawhai Village or at Mangawhai Central.

Acquiring land and building a new Library would be funded from a variety of sources; loans, development contributions and financial contributions, anticipated to cost around \$5 million. 50% of the anticipated cost will impact ratepayers, and the rest will be made through development contributions or other sources of funding. This relocation is planned to start in 2025.

Option 2: Status Quo

The Mangawhai library continues to operate as a community-run library next to the Mangawhai Hall.

Questions

Question 1

Do you support the Council securing a site and building a new library in Mangawhai?

Option 1 (preferred) Yes.

Option 2 No

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE	Average of 2.3% from year 4 of this plan onwards	Debt increases by \$5 million	New library will improve facilities. Securing site is first step in improving library service	
OPTION TWO	No impact	No impact	Ongoing need for improved service	

Question 2

If the Council develops a new library where would it best be located?

Option 1 Mangawhai Village

Option 2 Mangawhai Central

Regional Economic Development CCO

Background

One of Council's strategic priorities is to enable the sustainable economic development of the District. Northland Inc. is the Regional Economic Development Agency for Northland encompassing the Regional Tourism Organisation and central government's Regional Business Partner (RBP) Network. Northland Inc works with regional and national partners across the public and private sectors, with a common agenda to strengthen, grow and diversify Northland's economy. For more information on what they do through various projects in Northland visit northlandnz.com/northland-inc/about-northland-inc/

As an example of their work, using Provincial Growth Funding, Kaipara District Council has contracted Northland Inc to develop the Kaipara Kai Hub, providing on-the-ground support to grow Kaipara's food systems, create employment and boost the Kaipara economy.

Currently, Northland Regional Council is the 100% shareholder of Northland Inc (a Council-controlled organisation (CCO)).

Issues

Kaipara benefits from the economic development of the Northland region. Tourists that come to Northland don't stop at district boundaries. They move between districts, and when one district thrives there is a flow-on benefit to other districts.

Kaipara's tourism offering is underdeveloped, when compared with the other districts, and we are currently missing out on potential tourism opportunities.

Currently, economic development is siloed within districts. We think there is opportunity to take a more holistic look at development of the whole Northland region.

What we are proposing

Option 1: Invest in Northland Inc

A proposal we have considered and budgeted for is to invest in our regional economic development agency, Northland Inc. This will inject renewed energy and resource into Kaipara's economic development so appropriate initiatives are identified and taken forward.

The Kaipara District Council has an opportunity to provide funds to the Investment and Growth Reserve (IGR). This reserve is used to fund Northland Inc's operations and supports wider regional economic development.

For Kaipara, the benefits of the proposal are better representation and improved access to expertise and resources to support the sustainable development of the region's economy.

Under this proposal, Northland Inc will become a regional Council-controlled organisation jointly owned by Northland Regional Council, Kaipara District Council and the Far North District Council. Whangārei District Council will be able to join the initiative later if they choose.

These amounts are already budgeted and included in the average budgeted rates rise of 3.37%.

Advantages

1. Shared governance of Northland Inc, with the other Councils, would give us a say in how the operating budget was allocated and it would strengthen the delivery and visibility of Northland Inc's services across the whole region.
2. Ensures better alignment between Northland Inc and the Councils, resulting in more efficient delivery of economic services across the region and increasing opportunity to make the most of central government funding.
3. A wider leadership and governance function for economic development will provide greater opportunity, at the right level, for engagement and/or partnering with Māori/Iwi organisations.
4. Increases the amount of funding available that can be used to support more significant projects and an increased level of support for our key sector businesses, especially in a post-Covid recovery period over the next 3 to 5 years.
5. Regional leadership and advocacy for economic development, especially with Central Government, for matters that affect us all.
6. Creates an opportunity for Councils to have a say in setting Northland Inc's strategic priorities and direction, including, for example emphasis on economic growth leading to improved community wellbeing.

Disadvantages

- Increased costs are involved in switching to this new model.
- New Increased costs on some participating councils (e.g. committee involvement and servicing, possible resourcing).

Northland's Inc's regional mandate will be reinforced when discussing matters that affect us all, especially with central government.

There are some costs involved and our contributions to the Investment and Growth Reserve will be \$29,000 in year 2021/22, the first year of the Long Term Plan 2021-31. This will increase to \$61,000 in year two, \$89,000 in year three, and incrementally increase to \$180,000 in year 2026/27. From 2026/27 onwards it will be a yearly contribution of \$180,000.

Option 2: Status Quo

In the 20/21 Annual Plan we contributed \$25k towards Northland Inc as a first step in this process which allows input into future decision-making processes. Status quo would mean that council will have no influence over Northland Inc's priorities and initiatives.

Question

Which of the following options do you prefer?

1. Option 1: (preferred) Become a shareholder in Northland Inc and contribute to the wider Investment and Growth Reserve Fund.
2. OPTION 2: Kaipara District Council does not become a shareholder in Northland Inc

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE	Average increase of 0.4%, ranging from 0.1% in year 1 to 0.5% in year 10.	No impact	Increased service and better representation for Kaipara	Greater share in economic development opportunities in Kaipara, including tourism
OPTION TWO	No impact	No impact	No impact	Less ability to realise potential economic growth

Closed Circuit Television (CCTV)

Background

As part of its role, Council supports community led action. The Dargaville Community Development Board (DCDB) approached Council asking us to collect a targeted rate on their behalf to pay for the ongoing costs and expansion and maintenance of the close circuit television network in Dargaville and expanding to Ruawai.

The police currently monitor the network for incidences of anti-social behaviour that may pose a threat to property or members of the community.

Issue

The DCDB advise that this project will improve safety and reduce crime in Dargaville and Ruawai. It will also improve business confidence and provide social and emotional benefits to the wider community. Having a secure funding source will reduce reliance on grant funding (that isn't available for operational expenses) and provide longevity to the current network in place for Dargaville. If this proposal is supported by the community, the funding collected will be provided to the DCDB to install the cameras and deliver the service.

What Council is proposing

Based on information from DCDB the Council is proposing a targeted rate of \$10 per rating unit (for most people a rating unit would be a household, business or farm.) per year for the Dargaville, West Coast/Central wards and for 452 units (as at December 2020) of the Otamatea ward around Ruawai/Tokatoka – the same households that currently pay a targeted rate for the Ruawai Tokatoka War Memorial Hall.

The Ruawai local business association has asked that Ruawai be included in this project.

Question

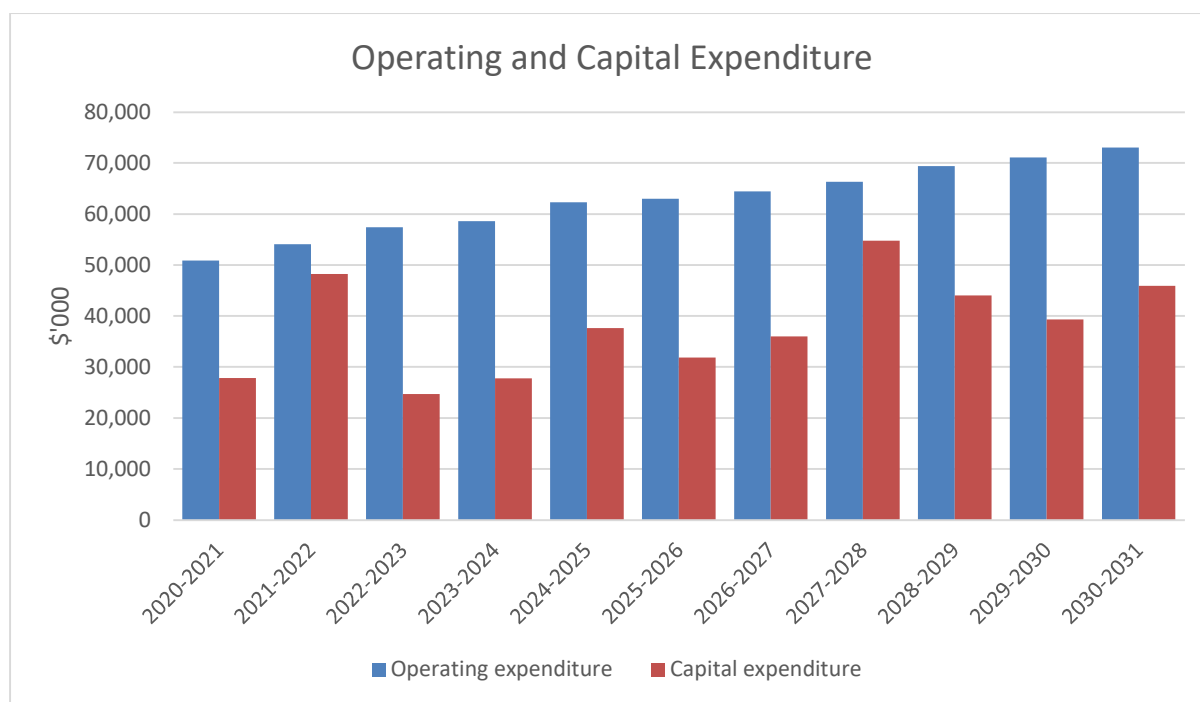
Do you support Council collecting this charge on behalf of the Dargaville Community Development Board?

- 1) Option 1: Yes
- 2) Option 2: No

OPTION	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVELS OF SERVICE	OTHER IMPACTS
OPTION ONE	\$10 /year (+GST) for those in the Dargaville, West Coast/Central wards and for 452 units (as at December 2020) of the Otamatea ward around Ruawai/Tokatoka	No impact	No impact on Council services	Improved business confidence and safety and security around the Dargaville and Ruawai townships.
OPTION TWO	No impact	No impact	No impact on Council services	

Investing in Kaipara

Over the 10 years of the LTP Council is investing \$690 million in operating expenditure and \$391 million in capital expenditure to maintain and enhance the level of services provided to the communities of Kaipara.



What will it all cost? / He aha ngā utu?

10-year revenue and expenditure

For the year ended:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
30 June	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Prospective Total Revenue, Expenditure and Surpluses 2021-2031^a											
Total revenue	68,169	89,285	71,907	74,047	85,108	78,180	84,891	83,511	97,906	101,983	107,819
Total expenses	50,859	54,107	57,384	58,574	62,284	62,961	64,436	66,334	69,366	71,062	73,008
Surplus/(deficit) for the period	17,311	35,178	14,523	15,473	22,824	15,219	20,455	17,177	28,540	30,921	34,811
Adjusted surplus/(deficit) for the period^b	(817)	(1,131)	(1,503)	(541)	(1,866)	(85)	569	946	432	784	870

^a Refer to Prospective Statement of Comprehensive Revenue and Expense

^b Net operating surplus/(deficit) is before recognising capital funding revenues (e.g. NZTA subsidies and development contributions)

Revenue sources 10 years

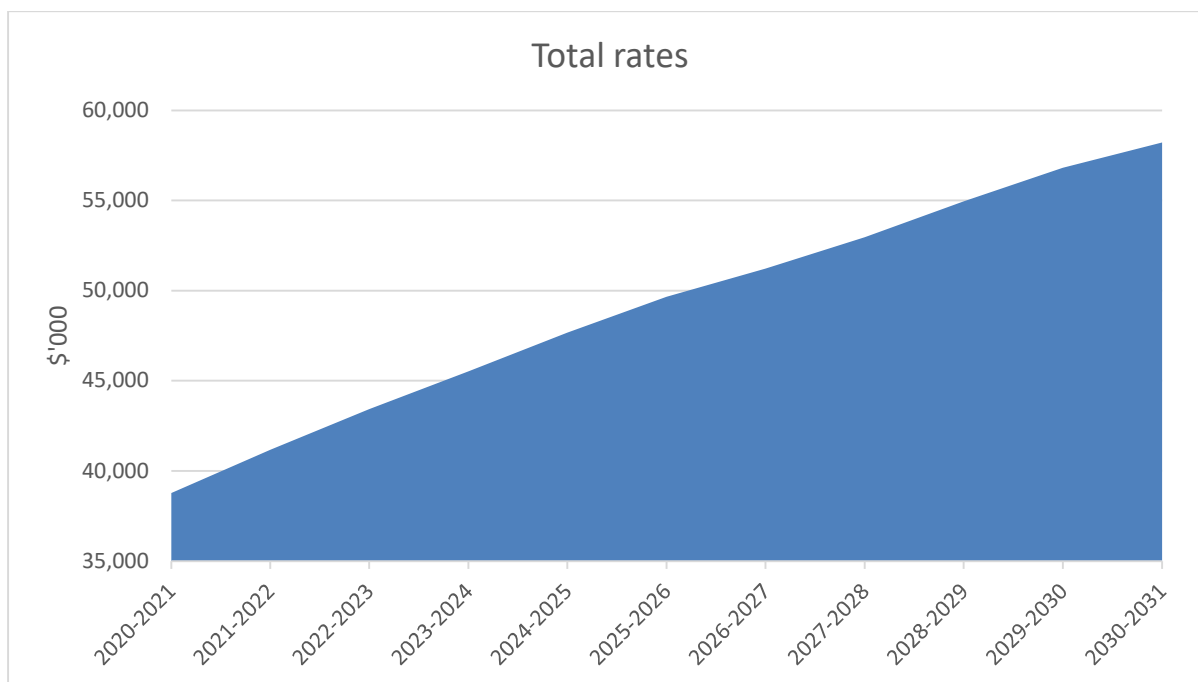
For the Long Term Plan 2021-2031, elected members have set a limit on rates increases to an average of 5% over the 10 years. In the past the council has not provided sufficiently for renewal expenditure and is addressing that in this Long Term Plan.

Although the population is growing, there is a relatively high proportion of the community at retirement age and on a fixed pension. The limit to rate rises is to balance expenditure needs with affordability for ratepayers.

For the year ended:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
30 June	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Annual Operating Rates Revenue and Forecasted movements 2021-2031

Total rates	38,780	41,173	43,430	45,515	47,659	49,654	51,210	52,964	54,949	56,810	58,221
Total revenue	68,169	89,285	71,907	74,047	85,108	78,180	84,891	83,511	97,906	101,983	107,819
Total rates to total revenue	56.89%	46.11%	60.40%	61.47%	56.00%	63.51%	60.32%	63.42%	56.12%	55.70%	54.00%
Forecast increase in total rates (excl. growth)	5.49%	3.37%	4.16%	3.42%	4.27%	3.39%	2.14%	2.62%	2.96%	1.93%	1.55%
Total rates increase limit	4.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%



What does it mean for you and your rates?

Sample properties

{Info to be provided for rates in each area}

Auditor opinion / Whakaaro a te Kaiarotake

DRAFT