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KAIPARA DISTRICT

Kaipara te Oranganui • Two Oceans Two Harbours

Towards a better Kaipara

Maori version of the title

Long Term Plan Consultation Document 2021

Contents

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 documentor 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** – 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.

- **Water** – Thursday 04 March 7pm-8pm
- **Other** – Tuesday 09 March 7pm-8pm

Find out more at **www.kaipara.govt.nz**
or call Council on **0800 727 059**

Have your say Kaipara

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.

Kaipara District at a Glance

Infometrics data shows the projected populations across Kaipara through to 2051. More details on the make of Kaipara District, our history, population, economy and more can be found in the Environmental Scan 2020, via **kaipara.govt.nz/LTP**

Projected Population	2021	2031	2051
Dargaville	5,238	5,764	6,169
Mangawhai and surrounds	6,086	9,041	12,718
Kaiwaka	2,236	2,520	2,654
Maungaturoto	1,331	1,539	1,582
Ruawai - Matakohe	2,476	2,474	2,418
Otamatea	1,760	1,697	1,541
Kaipara Coastal	3,747	3,734	3,862

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.

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 a 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

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

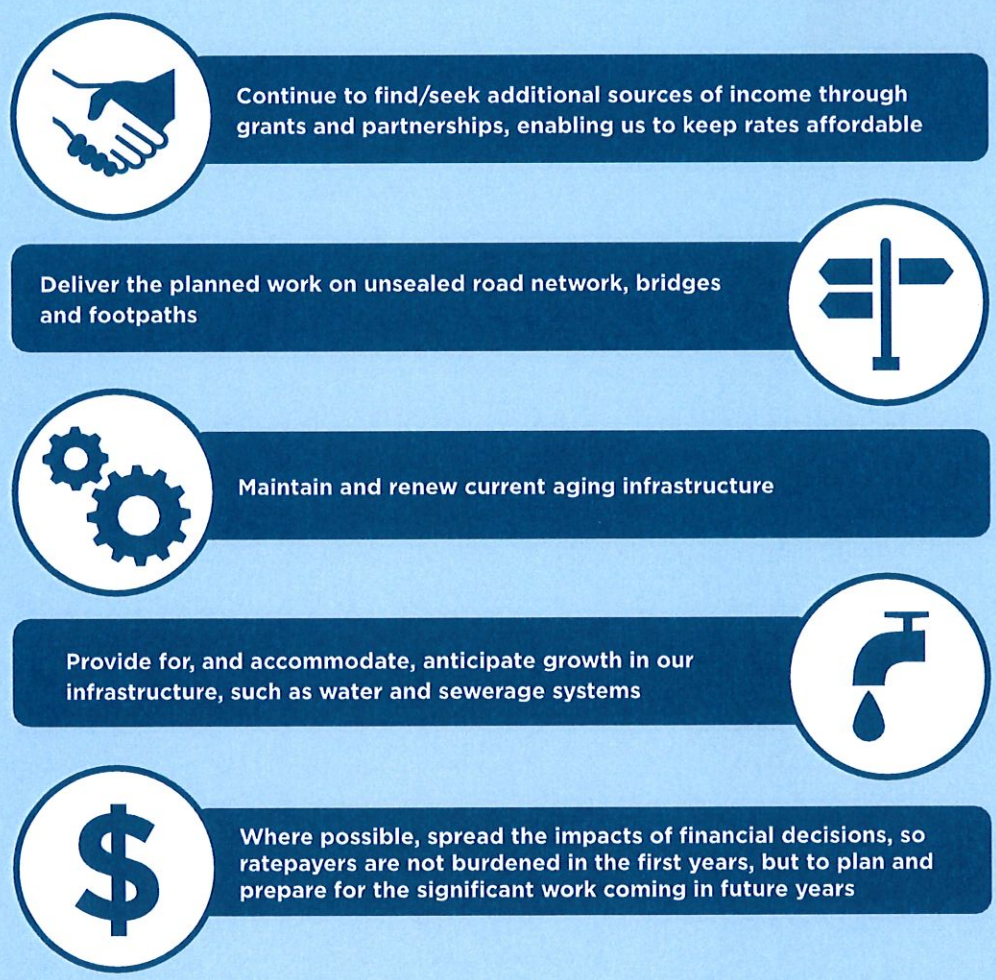
We're rolling out an unsealed road strengthening and improvements programme funded by the provincial growth fund (PGF), which will be completed by the end of the first year of the new LTP (June 2022). Council will be fixing or replacing bridges and providing other transport services like shared paths, 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.

There is also the matter of growth

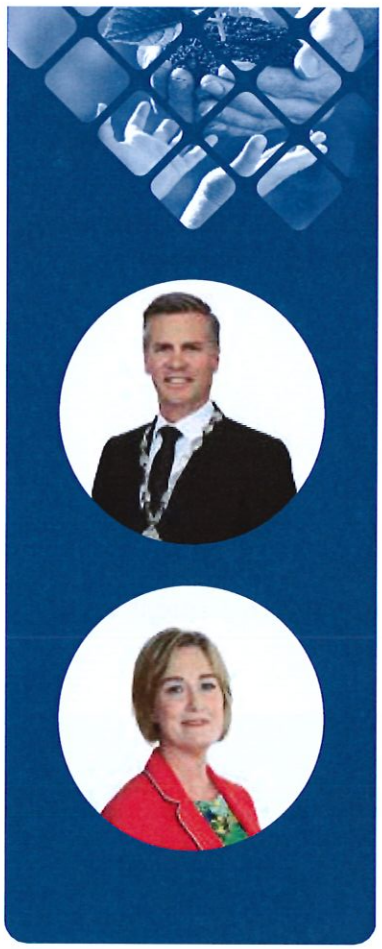
The big question is "Who should pay for this?". Every service carries a cost and many individuals and businesses in our community have been affected by COVID-19, an added challenge in the current times. Should separate communities pay the full cost of the services they alone receive, placing higher burdens 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



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

Have your say Kaipara



Intro signed by CE and Mayor as forward

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.

NRC Rates Graphic

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 rargeted) 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.

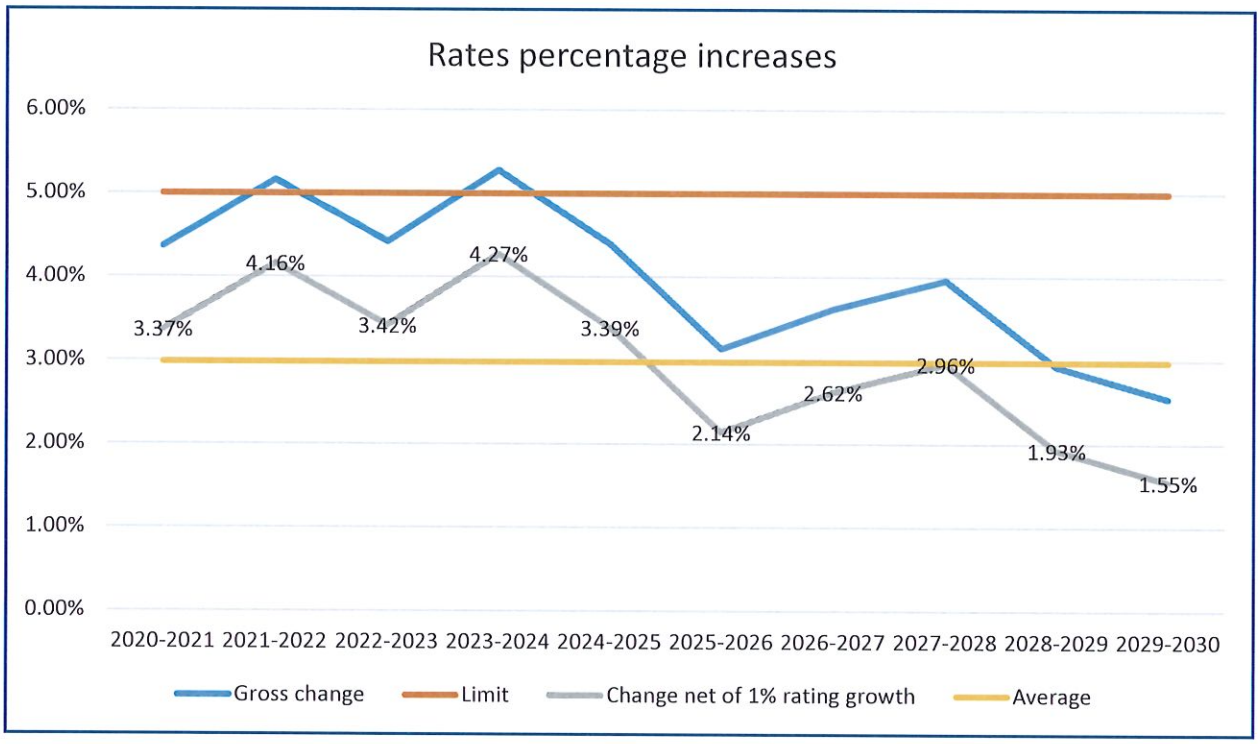


Figure: An average rates limit of 5% per annum is set by Elected Members in the Financial Strategy.

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.

Limits on borrowing graph

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

Public debt per rateable property graph

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 2020 - 2031	Annual Plan	Budget	Budget	Budget	Budget	Budget
For year ended: 30 June	2020-2021 $'000	2021-2022 $'000	2022-2023 $'000	2023-2024 $'000	2024-2025 $'000	2025-2026 $'000
Public debt projections	51,168	48,922	46,684	45,896	46,816	48,639
Future reserve obligations	-16,840	-18,149	-18,827	-20,052	-19,377	-19,330
Debt requirement	**34,328**	**30,773**	**27,857**	**25,844**	**27,438**	**29,309**

Public debt projections compared to public debt requirements 2020 - 2031 (Continued)	Annual Plan	Budget	Budget	Budget	Budget	Budget
For year ended: 30 June	2020-2021 $'000	2026-2027 $'000	2027-2028 $'000	2028-2029 $'000	2029-2030 $'000	2030-2031 $'000
Public debt projections	51,168	48,413	69,211	66,728	56,472	48,026
Future reserve obligations	-16,840	-22,876	-43,898	-44,446	-42,555	-42,921
Debt requirement	**34,328**	**25,537**	**25,313**	**22,282**	**13,917**	**5,105**

Factors impacting on the Council to consider

Annual Population growth forecasts 2021-2031

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	2,490	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.

KEY DECISION 3

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.

The Info at a glance

Water Supply to Dargaville and Baylys Beach comes from Kaihu River

We are unable to draw additional water from Kaihu River without compromising the environment

Increasingly dry summers continue to put pressure on drinking water supplies

What we're proposing

COUNCIL'S PREFERRED OPTION

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 Baylys Beach residents who receive the Council water supply . Those costs are broken down in the table on page 32.

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

Have your say Kaipara

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 1 - Connection to water storage (Preferred).**

2. **Option 2 - Status quo.**

Option	Impact on rates	Impact on debt	Impact on levels of service	Other impacts
Option 1a (with equalisation) Connection to water storage	$0.19 per m³ 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 1b (without equalisation) Connection to water storage	From 2024 $0.22 per m³ 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 2 Status quo	Change depends on location More detail on page 29	Minimal - None	Increasing water restrictions during times of drought.	Reduced community and business confidence

For more information on this see our **Infrastructure Strategy** at **kaipara.govt.nz/ltp**

A big portion of this focus is around growth, how we manage the demand we're facing on our aging infrastructure. In 2020 Kaipara had an estimated resident population of 25,200 people and is experiencing strong growth growing 20.6% from 2014 to 2019.

Growth is expected to continue to be strong over the next ten years. Central Government investment in transport infrastructure between Northland and Auckland is expected to accelerate this trend, alongside rail and road improvements, including the motorway from Puhoi to Wellsford. Kaipara will be working with Iwi, Ministry of Housing and Urban Development, Waka Kotahi, Northland Regional Council and Whangarei District Council to develop a joint work programme that recognises the expected growth in the Auckland to Northland corridor and the need to align work.

A Spatial Plan has been developed for the District that includes the key growth centres. We are investigating a Plan Change to the Operative District Plan that will result in more effective rules to support sustainable growth.

The Infrastructure Strategy provides a long-term response to growth. The Financial Strategy includes new Development Contributions for Maungaturoto, Kaiwaka and Mangawhai, where we are likely to experience the most growth and need to invest in infrastructure ahead of development. The development contribution table below shows the breakdown of the development contributions for each piece of land that is subdivided, and the activities they are funding.

TABLE 1 - SCHEDULE OF DEVELOPMENT CONTRIBUTIONS 2021-2031

MAIN PRICE	Stormwater	Wastewater treatment	Water supply	Roading	Community	TOTAL
Mangawhai	$ 419	$ 24,766	$ -	$ 2,364	$ 496	$ 28,045
Dargaville	$ 216	$ 1,887	$ 1,690	$ 90	$ 496	$ 4,379
Te Kopuru	$ -	$ 2,271	$ -	$ 90	$ 496	$ 2,858
Maungaturoto	$ 2,531	$ 1,524	$ 860	$ 90	$ 496	$ 5,502
Kaiwaka	$ 2,032	$ 1,465	$ -	$ 2,364	$ 496	$ 6,357
Baylys Beach	$ 6,865	$ -	$ 1,690	$ 90	$ 496	$ 9,142
Glinks Gully	$ -	$ -	$ -	$ 90	$ 496	$ 587
Ruawai	$ -	$ -	$ -	$ 90	$ 496	$ 587
District	$ -	$ -	$ -	$ 90	$ 496	$ 587
Roading East	$ -	$ -	$ -	$ 2,273	$ 496	$ 2,769

Note 1: These contribution amounts do not include GST

Water supply

Over 70% of Kaipara is on private supply. In the eastern growth area, there is a water supply system servicing Maungaturoto, a private system in Kaiwaka, and a small system servicing the Mangawhai campground and a small number of other properties in Mangawhai.

The immediate focus is to strengthen the Maungaturoto supply and provide a tank filler so water carriers who service the area do not have to travel to Whangarei/Auckland.

The development of Mangawhai Central provides an opportunity to create a reticulated system with water storage. Mangawhai Central at the Plan Change 78 hearing have said they will look to provide a reticulated system for the area as they have been given rights to water from 2 streams.

Mangawhai Wastewater

There is sufficient capacity within our existing Dargaville, Maungaturoto and Kaiwaka waste systems to accommodate the anticipated growth for the next 10 years

With growth levels in Mangawhai there is more substantial investment signalled in the LTP. There are currently 2,411 connections and the existing capacity of the treatment system is circa 2,800. The Infrastructure Strategy developed as part of the 2021 Long Term Plan includes a roadmap for the Mangawhai Plant. This table was presented to the community in 2020 and is still the strategy.

Over the next ten years we have assumed 84 connections will be made each year, combining to an additional 840 connections[1]. Over the time of the last Long-Term Plan (2018-2028) we have seen 77 connections a year. We have investigated future options for between 70 and 100 new connections, which allows us to prepare for lower or faster rates of growth.

Future connections will be distributed across the Mangawhai urban area and the Spatial Plan encourages growth in areas that can connect to the system. The Mangawhai Central Development will be connected to the system (noted that 500 houses are currently allowed under the current District Plan and Plan Change 78 is seeking an increase to 1000). It is expected, as is normal for developers, that sections will be subdivided and built in stages which we monitor the rate of take up (i.e. resource consents) allowing us to keep ahead of our planned connection numbers, ensuring our planned capital expenditure meets the needs as it arrives, if not before.

We can be flexible on these plans, should there be a large jump, or a greater than planned for demand occurs in Mangawhai. As growth occurs and Council determines it needs more capacity, the cost of the infrastructure has been planned for, and will occur just ahead of its requirement.

The future of Mangawhai WasteWater (Just recreate the red box)

As per the Infrastructure Strategy the plan is to dispose treated wastewater in Mangawhai to land rather than seek consents for a coastal or estuary outfall. The rationale for this is that there are many opportunities to reuse water – particularly given the high quality of water that the Mangawhai Community Wastewater System (MCWWS) produces.

A new Balancing Tank is being constructed as part of the Mangawhai Wastewater System in 2021 and this will provide additional protection to the harbour by increasing the flow to the treatment works at peak flows. Additionally, in peak summer periods, daily peak flow can be managed to reduce the demand on the aeration system. We are changing the filtration system to improve water quality, which will provide new opportunities to use the water. Over time we will increase the number of filters, which will increase capacity of the plant, eventually allowing for 7000 connections (Based on current projections we reach 6000 connection by 2043). The Balancing Tank can be quickly repurposed as a treatment tank which will allow for the increase in connections to be accommodated.

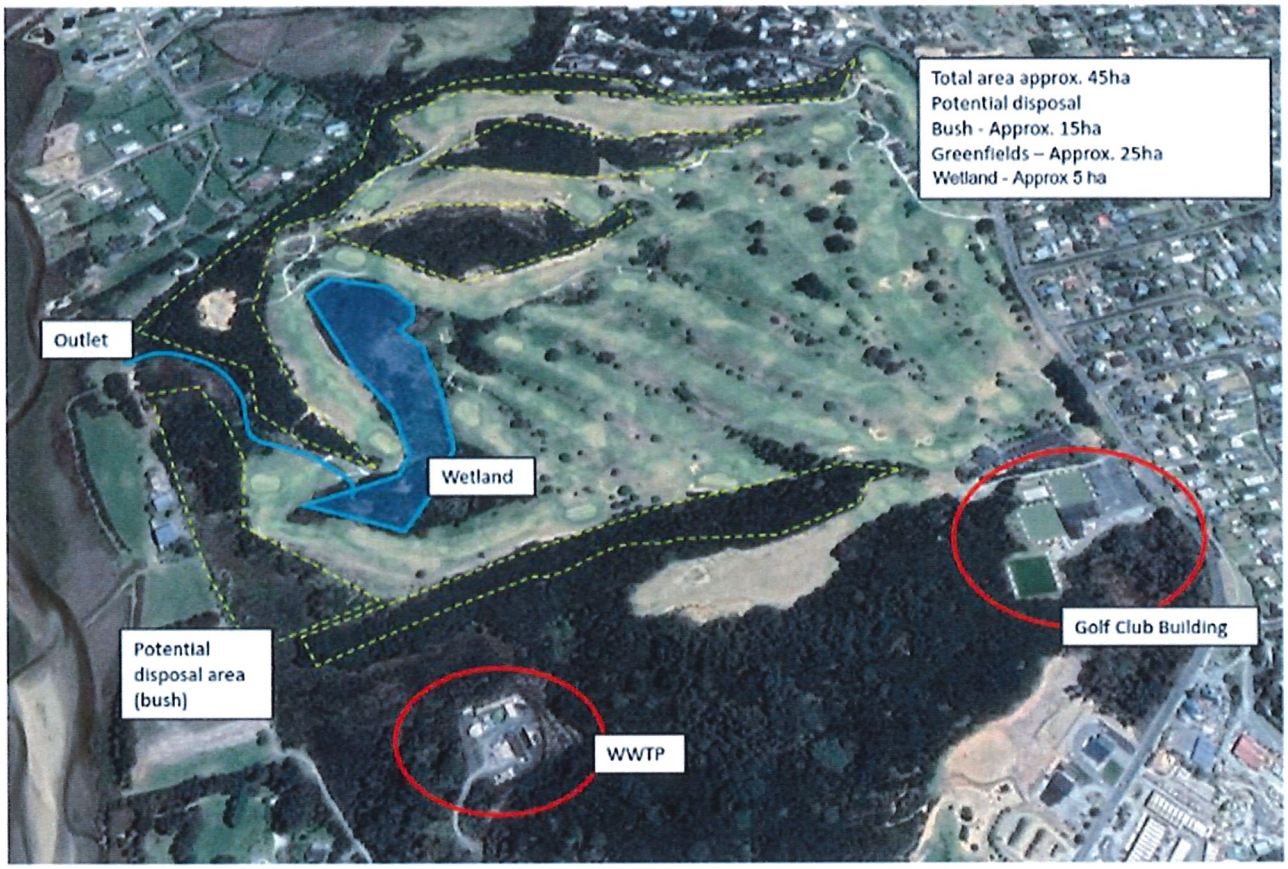
The balancing tank helps us manage peak flows. For most of the year the plant is dealing with 600m3 of sewage – in storm events this increases to 5000m3!

[1] Based on 2021 Development Contribution Policy

The Council is currently planning an irrigation system for the adjacent golf course and $1.5m has been allowed for in year 1 of the LTP 2021-2031 for construction. With our current water quality this can be used to irrigate at night. Improving the quality to Grade A will allow for further irrigation uses and increase the amount that can be reused for the benefit of the community.

We will still need to dispose of water in storm events and funding has been set aside to increase the size of the pipe from the plant to the reservoir at Browns Road.

The Mangawhai System already meets the Australian Standard Class C which allows irrigation under certain conditions. Class A will allow irrigation with fewer restrictions



The LTP 2021-2031 includes $300,000 to design the expansion to the overall system in financial year 2021/2022. This design work will allow for a number of solutions to manage growth in the coming years, and can be staged to meet the demands on the network. Construction will commence in financial year 2024/2025 with a total of $10m budgeted to be spent between 2025 and 2031. It is planned to spend a further $10m in the following 20 years (2031 -2051, the current second stage of development beyond this LTP is to increase the capacity to 7000 connections).

Expanding the MCWWS will be primarily funded through development contributions not rates;

- $20.4m (inflated costs) is included in the current financial forecasts for 201-2031 for growth (just for the treatment plant)
- DCs are set at $24,766 per property [2]
- Based on an extra 840 connections over ten years – we would receive $20.8m

With growth, the cost of operating and maintaining the plant will be spread over a larger rate base which will reduce the burden on existing users.

[2] excl gst (2021-2031 LTP)

Transport

Traffic demand as a result of growth will generally be met through the existing roading network and promoting means of alternative transport.

KAIPARA DISTRICT COUNCIL - MANGAWHAI SPATIAL PLAN PAGE 46

In Mangawhai the main investment in this LTP are the Mangawhai Shared Path and the Cove Road Connection Projects

Subject to funding from Waka Kotahi, a Business Case will be developed for the connection between Cove Road and central Mangawhai. This will include consultation with the community and affected landowners.

Construction is anticipated later in the ten year period and will allow Development Contributions to be gathered.

In Kaiwaka we will continue to work with Waka Kotahi to determine the preferred route for four laning and solutions to reduce severence caused by the current state highway.

The Spatial Plan includes two projects – investigation into Kaiwaka Eastern Connections and Onerihi Road Intersection which we will seek funding from Waka Kotahi to develop-business cases and create a preferred network which may be built by developers.