

A BRIGHT FUTURE

Kaipara District Council Long Term Plan 2018/2028

Part One

Introduction

Financial Strategy

Infrastructure Strategy

Services and Activities



KAIPARA HE ORANGAHI • TWO OCEANS, TWO HARBOURS

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Mayor's Foreword

Kia ora

Straighten up and fly right is a jazz lyric phrase that for me captures the moment of what's just happened for Kaipara District Council; the straightening up has been done and now we're "flying right" towards a bright future. This Plan represents all this and more.

Here is the first Long Term Plan adopted by elected members of Kaipara District Council since 2012. Following four years of appointed Commissioners and a period of relative austerity, belt-tightening and debt reduction by Council, residents and ratepayers elected their new Council in 2016. This document is therefore more than simply the Long Term Plan 2018/2028 (LTP); it also marks the return to full governance capacity, community representation and local democracy for Kaipara district after a challenging time.

Courageous, collaborative and cautious decision-making is evident throughout this Plan for the next decade. Having listened well through the consultation for the Plan, we've been bold where we reasonably can be, we're seeking better outcomes for you and we're living sensibly within our means. Kaipara District Council seeks efficiency at every turn and our rates increase for 2018/2019 is 4.97%; this is less than the 5.45% proposed in the consultation document of the LTP. We've become good at doing more with less.

Where the rubber hits the road for this Council is literally where the rubber hits the road. Roading is the foundation priority and biggest ticket item in Kaipara District Council's budgets. Business as usual for Council means a focus on roads - two in every three 'capital works' dollars spent go into our local roads and overall 50% of total Council budgets are for roading with the other half for everything else.

A big tick to the comprehensive review of the District Plan. In 2018 we will kick-start this key Kaipara District growth planning tool for our fast-growing location on the edge of Auckland. Council has allocated \$2.5 million in the first three years for this activity and \$4.82 million over the subsequent seven years to undertake this work. Prudent spending is important and staging the growth zoning aspect will be the first priority, in line with feedback from our growing communities. We'll also have a weather-eye on the sky and be planning for climate change adaptation across Kaipara district.

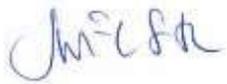
We expect an historic first Treaty of Waitangi settlement for a harbour – the Kaipara Harbour. Council's collaboration and relationships with local iwi and hapu are expected to continue to strengthen, and the promise of abundant well-being in the words "Kaipara te Oranganui" remains undiminished for Kaipara district.

Starting to realise more of Kaipara district's potential, debt level requirements will significantly reduce over the 10 years of the Plan to a projected \$38.7 million, from a high in 2012 of more than \$84 million. The district-wide portion of the Mangawhai Community Wastewater Scheme debt figure also continues to reduce over the life of the Plan. Current forecasting sees it decrease to \$1.6 million by June 2028, from a starting point of \$18.4 million. This downward trend in paying down the district-wide portion is based on continued payments at their prescribed amounts over the 30 year term. There is a light at the end of the tunnel.

As the debt reduction continues, Council can increasingly support sports facilities, look at the arts, culture and the GLAM sector (that's Galleries, Libraries, Archives and Museums) and get on with the job of helping our communities thrive.

A thriving Kaipara district is the key goal of Kaipara District Council, and with this Long Term Plan 2018/2028 we believe we're right on track.

Nga mihi nui



Dr Jason Smith

Mayor of Kaipara District

Your Councillors



Dr. Jason Smith
Mayor



Peter Wethey
Deputy Mayor



Julie
Geange



Karen
Joyce-Paki



Anna
Curnow



Libby
Jones



Jonathan
Larsen



Victoria del la
Varis-Woodcock



Andrew
Wade

Introduction



Introduction

In October 2016 the Kaipara District returned to elected governance, this Long Term Plan is the resulting Council's plan for the district over the next ten years. It is Council's commitment to Kaipara's communities, the relationship agreement with the district's residents.

Kaipara is faced with a set of competing and connected challenges. The challenges of maintaining our roading network across a largely unsealed network, the challenge of providing an overarching framework to rapidly developing growth areas in our district, the challenge of supporting the growth aspirations in other areas of the district, the challenge of supporting all of our smaller towns and communities, the challenge of making the Council organisation fit for purpose.

We face the challenge of meeting the present and future needs of the Kaipara within the fiscal constraints of affordable rates and a sustainably managed debt burden. As we look forward to 2028, this Plan sets out how we will respond to these challenges to contribute to building a thriving and sustainable future for Kaipara, its communities and residents



Our vision

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

That vision was adopted in July 2017 as “Thriving Communities Working Together”.

Community Outcomes

A district with welcoming and strong communities

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

A trusted Council making good decisions for the future

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

A district with plenty of active outdoor opportunities

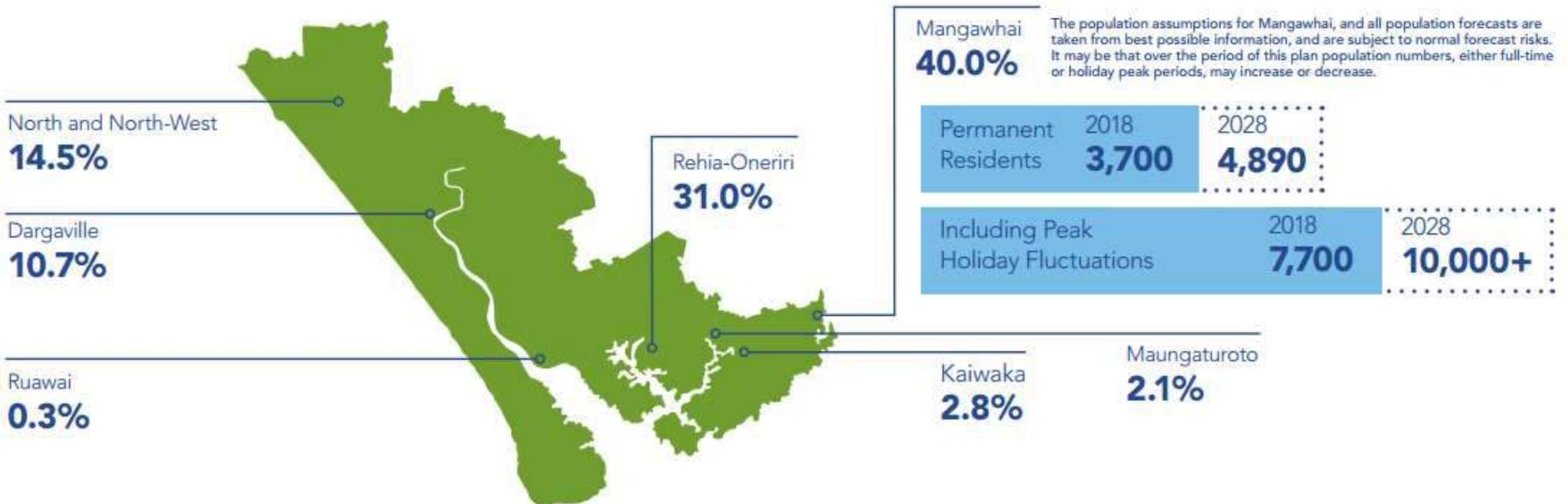
- Partnering with communities to develop sports and recreation facilities.
- Protecting and enhancing our natural assets and open spaces.

Who are we?

ESTIMATED POPULATION¹



PROJECTED POPULATION GROWTH



¹ Infometrics/Statistics New Zealand Kaipara Population Growth

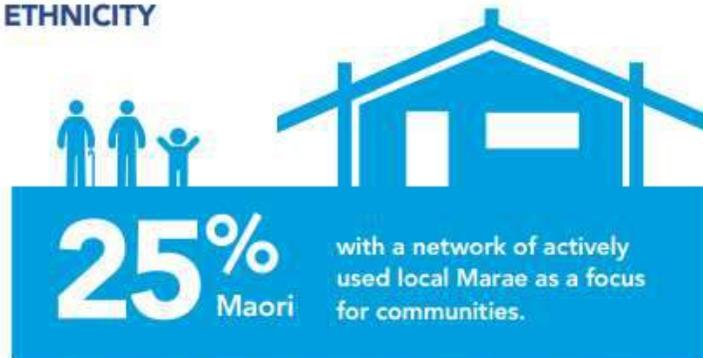
AGE OF POPULATION

Kaipara District

Mangawhai



ETHNICITY



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

OCCUPATION¹



IN THE FUTURE



¹ For the year 2016

What is a Long Term Plan (LTP)?

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

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

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

In releasing its consultation document – *A Bright Future* Council provided a platform for public participation in the decision-making. It highlighted the decisions before Council, the proposals being considered and how these might impact on the community both as users and payers for these services.

In putting together this Long Term Plan Council held a number of public briefings and also received presentations from interested community groups and organisations.

Between Long Term Plan reviews, every three years Council produces an Annual Plan for each financial year. Council will only consult on the Annual Plan when there is significant or material differences from the content of the Long Term Plan.

Each year Council produces an Annual Report which outlines what Council did that year compared to what it was planning to do in the Long Term Plan or Annual Plan.

It is important to note that the financial information contained in this document is forecast information based on assumptions of what Council reasonably expects to occur. We have endeavoured to make sure that our financial forecasts are as accurate as we can reasonably make them based on the information we currently have.

We have done our best to keep jargon and abbreviations to a minimum, but there are some words that have been used because of legislation or the specialised activities that Council carries out. For example, 'community outcomes' come from the Local Government Act. Please refer to the glossary on page 204 for an explanation of unfamiliar terms.

The LTP includes:

Part One

- Financial Strategy 2018/2028
- Infrastructure Strategy 2018/2048
- Activity Group Statements

Part Two

- Audit Report
- Prospective Financial Statements
- Notes to Financial Statements
- Funding Impact Statement
- Significant Forecasting Assumptions
- Policies

Further detail on activities and when specific projects are planned to occur is contained in the detailed budgets and in Council's Activity Management Plans. These Activity Management Plans are useful supporting information as they provide the foundation for the preparation of this Long Term Plan. They outline Council's planned capital works or key projects for the next 20 years and go beyond what is contained in this Long Term Plan.

Key decisions

In consulting on this Plan Council held 21 consultation events, a number of public briefing sessions (that were attended by over 200 people) and received 268 written submissions. Two public hearings were held for people to speak to their submissions.

Having worked through all of this information and feedback the Council made the following key decisions.

Issue	Decisions
A Thriving Kaipara	Investigate: <ul style="list-style-type: none"> improved digital capabilities for our communities; facilitating business development; increased support for the Kaipara tourism sector; a digital community hub for Dargaville; and advanced implementation of the Placemaking programme in Dargaville.
District Plan	Allocated \$2.5 million in the first three years and \$4.82 million over the subsequent seven years to undertake a comprehensive review of the District Plan. Notes that prudent spending is important and staging the growth zoning aspect will be the first priority.
Forestry Targeted Rate	Extended the Forestry Targeted Rate of \$397,800, adjusted annually for inflation, for each year of the LTP.
Mangawhai Community Plan (MCP)	Agreed to commence implementation of the MCP from 2018/2019 funded through a 20% district-wide general rate and an 80% differential rate levied on properties located within the Mangawhai Harbour Restoration area.
Mangawhai Community Wastewater Scheme	Included \$20.05 million, funded through debt over the 10 years to 2028 for the upgrade and extension of the scheme to accommodate new connections. The growth portion shall be paid through development contributions.
Mangawhai Harbour Restoration Targeted Rate	Set the Mangawhai Harbour Restoration Targeted Rate at \$80.00 (GST incl.) per property.
Pensioner Housing	Agreed to continue investigation of alternative options for land owned at Fagan Place in Mangawhai, including the possibility of working with external partners.

Issue	Decisions
Reserve Contributions	<p>Adopted a new Reserve Contributions (<i>Use Of</i>) Policy containing three new components:</p> <ul style="list-style-type: none"> • Dividing the district into four new catchments; • 80% of funds collected in each catchment to be allocated to spending within those catchments; • Establishment of a contestable fund to allocate funding from the reserve contributions pool; and • Continue to maintain funding of \$100,000 per annum for priority parks from reserve contributions with Mangawhai Park receiving \$150,000 for the 2018/2019 financial year only.
Sporting Facilities	<p>Allocated a one-off grant of \$70,000 to Sportsville for the 2018/2019 financial year and recommended Sportsville and MAZ as projects to be supported by the NRC regional facilities rate. Agreed to assist other sports, recreation and community facilities across the district where appropriate</p>
Tangowahine District Drainage Scheme	<p>Continue the targeted rate of \$2,875 (GST incl.) per annum throughout the LTP 2018/2028.</p>
Te Hapai Flood Protection	<p>Included a targeted rate for the Te Hapai Drainage District to raise \$85,000 throughout the period of the plan.</p>
Transport	<p>Approved transport budgets totalling \$140 million in operating expenditure and \$129 million in capital expenditure over the ten years to 2028.</p> <p>Transferred \$200,000 in each of the first three years of the plan from the Low Cost Low Risk work category to the Walking and Cycling and New Footpath categories to fund the implementation of Council's Walking and Cycling Strategy and new footpaths programme.</p> <p>Agreed to pursue funding through the Provincial Growth Fund (PGF) for the Pouto Road and Kaiwaka-Mangawhai Road bridge projects.</p>

A wide and varied range of other issues were raised and discussed during the preparation of this plan and factored in, including:

Climate change

Across the district there is significant interest and concern relating to how Council acknowledges and deals with the current and future challenges associated with climate change. The warming of the planet and the effects of climate change on the planet are thoroughly and extensively documented, well understood and widely accepted. The Kaipara, situated on two harbours, is exposed and pre-disposed to the effects of sea level rise. We must be mindful and prepared to confront the associated risks. Council's

infrastructure strategy contains a wide range of initiatives through which we will undertake work and projects and advance ongoing research into the effect of climate change. Similarly, a focus of our financial strategy is achieving the financial resilience to respond to these challenges.

Arts and culture

Council makes a contribution to arts and culture in the Kaipara through a number of the services and activities that it provides. A clear message that came through from submitters was that people would like to see Council do more in this area. To do this Council will work with this sector to gain an improved understanding of their needs and requirements and work to find innovative ways to support this enriching activity throughout the district.

Relationship with Maori

Maori are New Zealand's indigenous people and have a special relationship with the land and the district's resources. In light of this, it is important that the Council continually strives to have the highest quality and most constructive relationship with tangata whenua. To this end Council is an active participant in the Iwi Local Government Agencies Chief Executive Forum, have a dedicated Iwi Relations Manager, co-governance arrangements and relationships at various levels of Council, Te Reo classes and Maori Protocol Development. The quality of Council's relationship with Maori remains a priority focus.

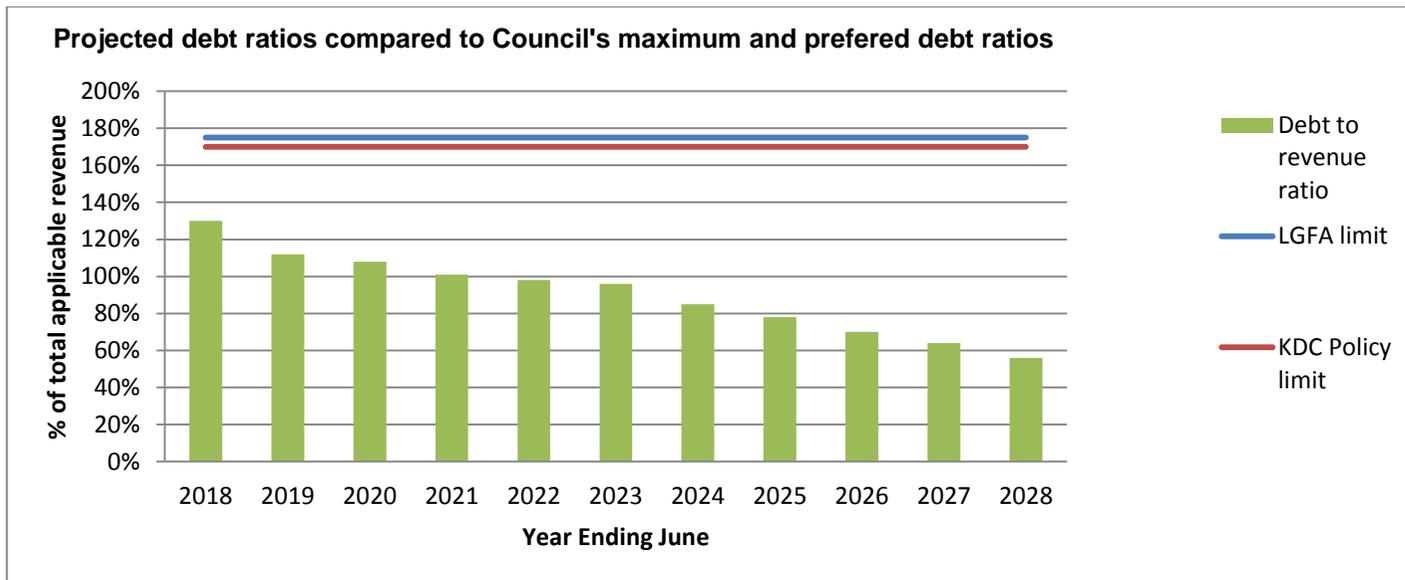
Community planning

While Council has initially focused on developing major community and placemaking plans for its two main urban centres, we recognise the value in extending community-based planning exercises throughout the district into our smaller towns and communities. The most effective way to approach this work is for it to be community-led and Council will work with its communities to determine how it can best provide a catalyst and support community planning across the district. In doing so, Council will improve its understanding of its communities and the communities will be better placed to work with and alongside their Council.

Waste and recycling

Council has many levers through which it directly impacts on environmental policy. One of these is how we manage and minimise the district's ever growing waste stream. There was a strong message that came through submissions that Council needs to continue to improve its efforts and performance in this area. This will continue to include advancing initiatives detailed in the Waste Minimisation and Management Plan including, up-cycling facilities, shared green waste areas, a zero waste policy, consideration of a regional waste to energy plant and circular economy models.

Finances at a glance

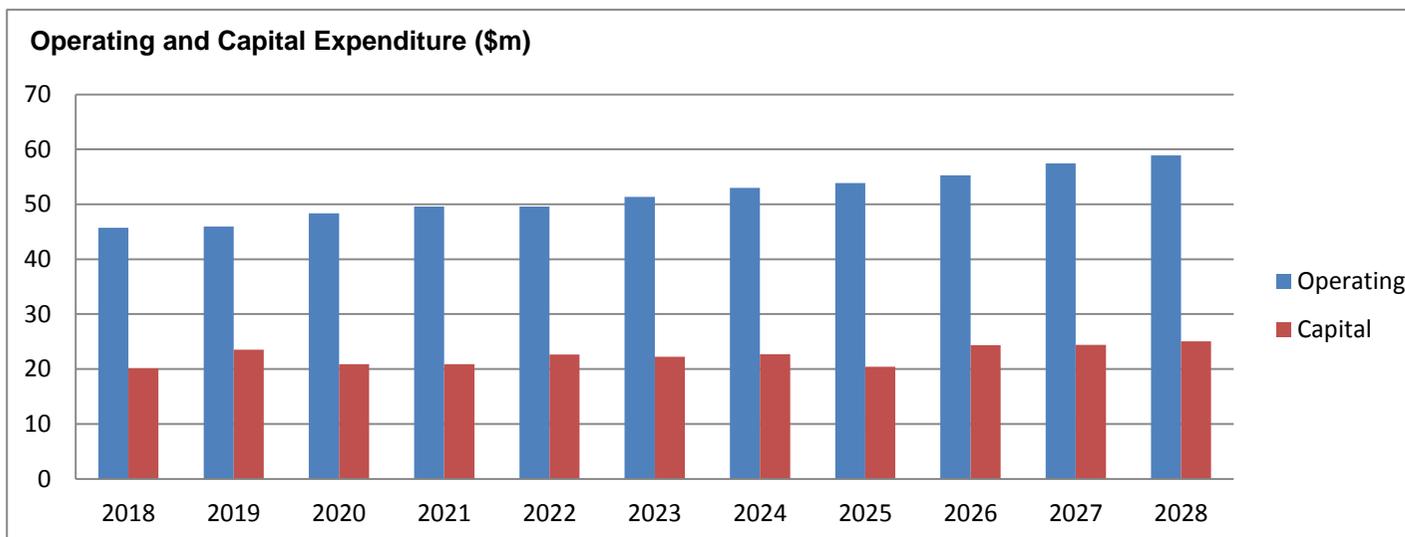


Debt

Debt requirements continue to reduce over the 10 years, from \$67.4 million to a forecast \$38.7 million by 2028.

Council's debt ratios are below Treasury Policy and LGFA limits at all times during the life of the Plan.

The district portion of the Mangawhai Community Wastewater Scheme debt, originally \$18.4 million will reduce to \$1.6 million by June 2028.



Total expenditure

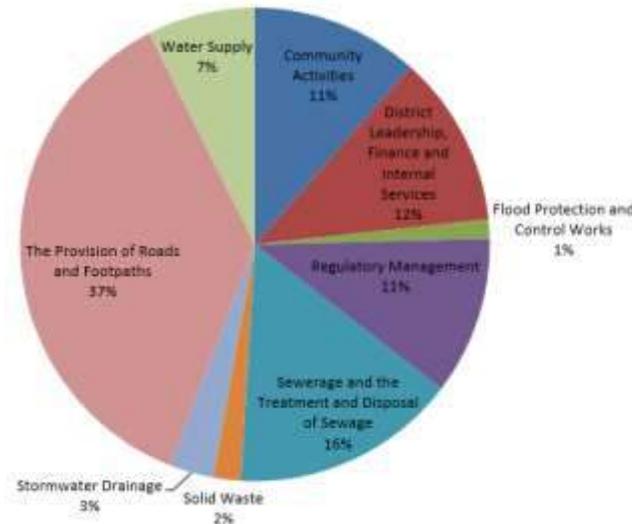
Council is keeping spending low and delivering basic service levels.

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

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

Operating expenditure is \$523 million over the 10 years; capital expenditure is \$227 million over the same period.

Operating expenditure (\$523 million) over the next 10 years by activity

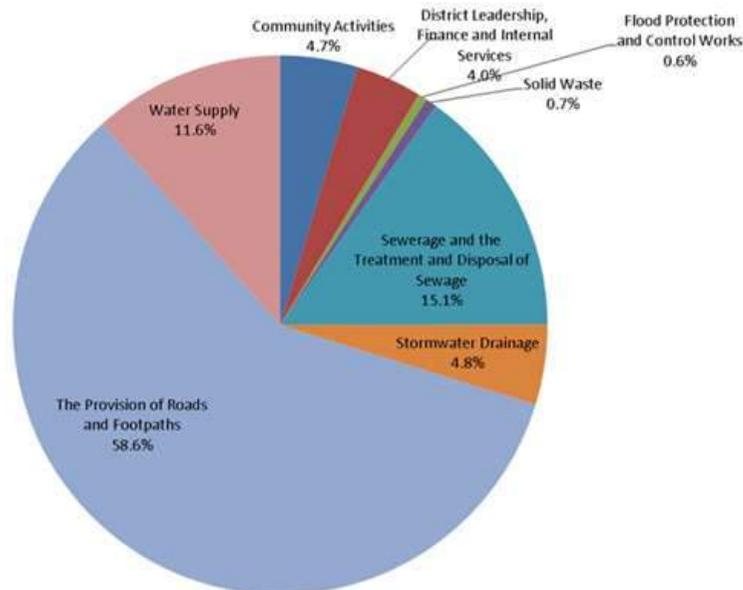


Operating expenditure

53% of operating expenditure is spent on the Provision of Roads and Footpaths and Sewerage and the Treatment and Disposal of Sewage.

A further 23% is spent on Community Activities and District Leadership, Finance and Internal Services.

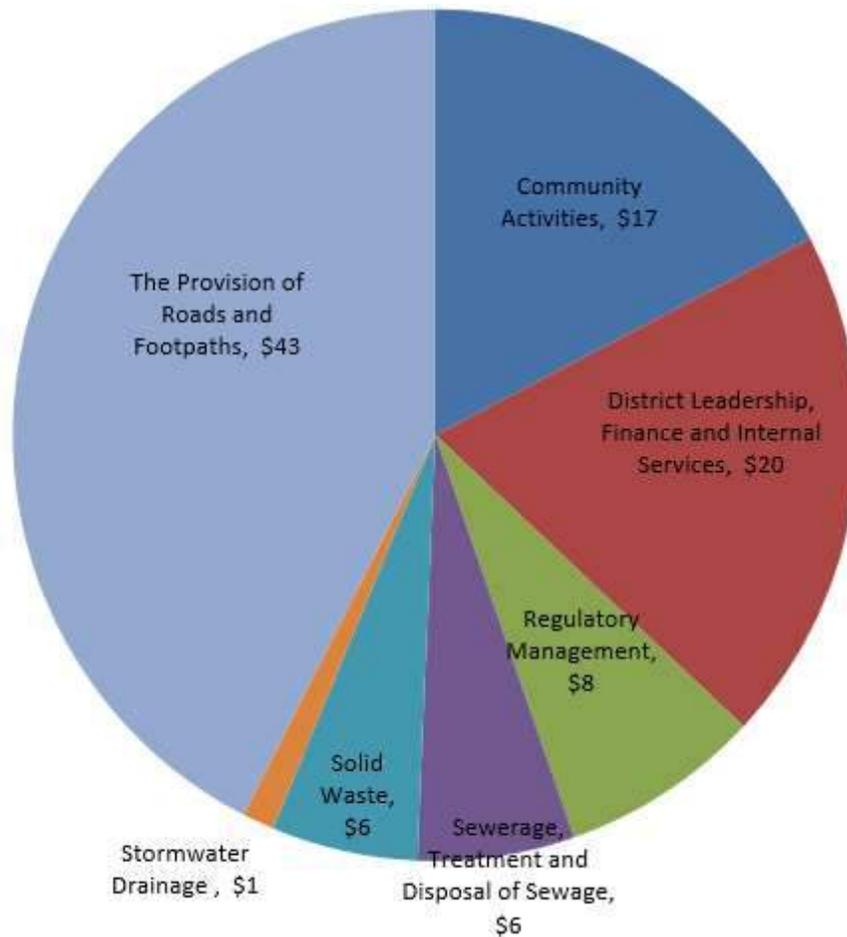
Capital expenditure of \$227 million over the next 10 years by activity



Capital expenditure

58.6% of capital expenditure is spent on the Provision of Roads and Footpaths.

\$ funding per activity for every \$100 of general rates for 2018/2019



Each \$100 of general rates funds approximately \$43 of the Provision of Roads and Footpaths, \$17 towards Community Activities and \$20 towards District Leadership, Finance and Internal Services.

General rates that are paid by the whole district accounts for \$22.3 million of the \$34.3 million rates collection.

Note: Localised targeted rates (\$12.1 million in total) are not represented in the pie chart. These are in addition to the district-wide rates.

Efficiencies and savings

A clear theme that came through consultation on this plan was a need for more efficiency and for savings to be achieved. This message was well understood and Council is determined to take a continual improvement approach to delivering on these expectations. Two of the key components of this focus are:

- a rolling review of each service area and benchmarking against our peer councils to identify and secure ongoing targeted efficiency gains; and
- the development of more effective and extensive digital and electronic services. Such services tend not to result in immediate direct savings, but medium-to-long term will help drive operational efficiency. In addition, this work will result in improved customer service and greater resident satisfaction.

It is important to note, however, as a fast-growing district it is not Council's intention to cut services and restrict delivery to residents through wholesale or arbitrary cost cutting. No appetite for such an approach was apparent through the consultation on which this plan is based.

The four well-beings

Legislation currently in front of Parliament will restore the purpose of local government to be "to promote the social, economic, environmental and cultural well-being of communities", otherwise referred to as the four well-beings. Everything Council does contributes, both directly and indirectly, to one or more of these well-beings. The return of this purpose to local government legislation provides a useful framework through which Council's activities, contribution and investment can be prioritised and understood.

Financial Strategy

1.0 Overview

1.1 Introduction

Council works with the people of Kaipara to make it a welcoming place with strong communities and active outdoor activities. We will be open and engaged with our communities and strive to lift Kaipara's well-being.

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

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

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

1.2 Challenges

The Long Term Plan 2015/2025 made significant progress positioning Council to be operating sustainably. Operations are funded from current year rates and income with only a few exceptions. Debt has been reduced through tight fiscal management and asset sales. We are halfway through a six year programme to improve asset information.

Challenges preparing the Long Term Plan 2018/2028 and the projected positions include:

- **Rating structure**

The rating structure is under strain from two directions. Firstly, the rating revaluations at 01 September 2017 significantly moved the incidence of rates to residential (including lifestyle blocks less than 2 ha) and away from dairy and pastoral farming ratepayers. Within residential some areas, lower valued properties in particular, saw substantial rises in value, and as a consequence a larger than average increase in liability for rates. Council considered options to ameliorate the impact of the revaluations on ratepayers including a cap on annual increases, remissions and adjustments to the level of the Uniform Annual General Charge (UAGC). After consideration the status quo prevailed.

Secondly, the forward projections indicate large increases to some of the Three Waters (water supply, wastewater and stormwater) targeted rates as renewal catch-ups are undertaken and infrastructure is improved. Assessing the targeted rates for defined capital costs by each scheme may well be constrained by affordability. Refer to Three Waters section.

Rate options were considered to fund the Mangawhai Community Plan projects. These included general rates, targeted rates and a new Mangawhai differential

- **Policy criteria**

Many of the district's assets and infrastructure systems have been maintained on an as required basis with renewals deferred as long as possible. In contrast, our communities are demanding improved levels of service. In addition communities are actively engaged in the process of planning for their area and through this seek more and better community amenities. These drive up costs putting our affordability policy and our ability to hold rate increases to Local Government Consumer Index (LGCI) plus 2% under pressure.

- **Reducing debt**

A success of the past three years is the significant reduction of debt beyond that forecast in the Long Term Plan 2015/2025. Debt is projected to be \$48.2 million by June 2018 compared with \$70.7 million forecast in the Long Term Plan 2015/2025. Continuing to achieve debt reduction and building infrastructure requires prioritising projects and balancing residents' expectations with affordability.

- **Diverse growth patterns**

The disparity of growth in areas of the district accentuated over the past three years. The east, Mangawhai, has grown and is forecast to continue to do so. While some of the capital costs required to meet the growth are financed by development contributions, the ongoing operating costs apply pressure on current ratepayers. The growth in the east is not matched in central and western areas. This raises issues of equity; who should pay.

Managing the consenting processes together with monitoring and if necessary enforcing consent conditions arising from this growth has put Council services under pressure.

- **Council services**

All councils are judged by their response to customer enquiries, standard of public amenities and other easily observable issues. An outcome of the tight fiscal management and need to balance the budget has resulted in Kaipara District Council's investment in many of these frontline and back office services being neglected or held at a minimal level. There is a need for us to improve performance in many areas. To achieve this requires investment in technology, staff and amenities. Prioritising what some may view as non-essential expenditure was required, and contributed to the increase in rates.

- **Three Waters**

Operating costs of the Three Waters (Water Supply, Stormwater and Wastewater) are standardised across all schemes other than Te Kopuru. This reflects the principle that the same service is received therefore the recipients should pay the same. For historic reasons Te Kopuru is excluded and rated on a stand-alone basis. Recovery of capital costs are calculated and rated on a per scheme basis. This means as renewals and upgrades are undertaken and the capital portion of the targeted rates adjusted on a scheme by scheme basis affordability may become an issue. While this will occur beyond the term of this Plan, Council considered normalising the capex of the water and wastewater schemes to make it in line with operating costs.

A public good element funded by general rates as is done for stormwater was also considered. Council recognised the rationale for normalisation and decided to undertake further investigation and consultation before proposing the change. It also acknowledged a need to re-examine the historic separation of Te Kopuru.

- **Non-residential ratepayers**

The Mangawhai region continues to have a large proportion of non-resident property owners. While all ratepayers, resident and non-resident, contribute to local and district costs, there is a large and significant increase to population during the holiday periods, especially the summer holiday period. This periodic population boom places pressure on all infrastructure and how consequential operating costs are funded (local and district-wide) is a challenge.

- **Visitors**

Kaipara, in common with many small local authorities in New Zealand, has within its district major natural attractions that bring in large numbers of non-ratepayer visitors. While they bring direct economic benefit to local businesses, local ratepayers fund the infrastructure and services required for a good visitor experience. As with non-resident ratepayers, the visitor influx peaks in the holiday periods, particularly summer. Funding the infrastructure and services needed for visitors from a small ratepayer base creates challenges of affordability and equity.

Risk and financial resilience

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

- **Debt financing**

Apart from reducing the quantum of debt, it is important for Council to be able to access the most attractive cost of funding rates. Our financial position has significantly improved over the last three years. Debt is estimated to be \$48.2 million by 30 June 2018 against a forecast of \$70.7 million in the Long Term Plan 2015/2025.

From 23 February 2016 Kaipara District Council has accessed debt funding through the Local Government Funding Agency (LGFA). Our debt ratios are set at or below those required by the LGFA and are comfortably achieved through the term of this Plan.

- **Interest capitalised**

Council is limited to setting development contributions based on growth anticipated over the next 10 years. The benefits of the Mangawhai Community Waste Water Scheme extend to properties that will be created after June 2028, the future community. The cost of development and debt attributed to these properties is \$20.2 million. Council's policy provides for 50% of the interest on this debt to be capitalised to be recovered from the future community development contributions. The remaining 50% is a charge to the general rate.

- **Debt management**

Implicit in the use of debt financing is the prudent management of debt levels, maturities and cost of finance. To ensure Council has access to funds we have committed facilities with registered banks in addition to the LGFA facility. Funding debt at the lowest possible cost is important. At current debt levels a 1% margin adds around \$490,000 to costs each year. Council manages these obligations after seeking external expert advice on a regular basis.

Options to manage the challenges

Options considered to manage these challenges were to:

- increase rates and/or add new targeted rates;
- manage infrastructure investment requirements by deferring expenditure;
- review the approach to district-wide funding for the Three Waters and/or transitioning arrangements;
- slow the rate of debt reduction down provided that the level remains prudent and affordable; and
- optimise use of development contributions to fund investment required to meet growth.

1.3 Summary

The challenges outlined in the section above, have been worked through, consulted on with the community and the preferred position is set out in the Long Term Plan 2018/2028. The issues are specifically set out in this Financial Strategy and in the Infrastructure Strategy.

The Financial Strategy for 2018/2028 is largely consistent with that set in the Long Term Plan 2015/2025 and remains a simple one. We will run a balanced budget. We will treat the District equitably. We will have a sustainable Plan.

Key points of the Financial Strategy are:

- a balanced budget is maintained¹;
- operating expenditure is projected to be \$523 million and capital expenditure is \$223 million for the 10 years to 2028. Funding of this expenditure is primarily through rates, user charges and NZTA subsidies, development and financial contributions;
- rate increases average approximately 3.42% per annum over the life of the Plan together with fees and subsidies will generate sufficient income to manage ongoing renewals, continue progress on catch-up renewals and to fund reserves;
- capital costs (reflecting the costs of capital works and remaining debt) for each scheme will be combined with the operational costs, which are being allocated uniformly across all schemes, to calculate the targeted rate payable in each community for water supply, stormwater and wastewater². Te Kopuru is an exception and funded on a stand-alone basis;
- capital contributions, collected as targeted rates, to fund the capital cost of the Mangawhai Community Wastewater Scheme (MCWWS) and reduce debt continue as does the district-wide funding of a portion of the debt as part of the general rate; projected income from Development Contributions has been spread over a longer timeframe;
- other capital costs are funded by NZTA funding³ (for roading); Financial Contributions (for reserves) and Development Contributions (for some wastewater and stormwater schemes and roading) fund capital costs of growth; and
- debt requirements⁴ are projected to trend downwards and reduce to approximately \$38.7 million by 2027/2028 at the end of the 10 years covered by the Plan. At all times during the duration of the Plan, debt requirements fit within Council's preferred debt ratio parameters.

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

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

While improved information about asset condition was available for the Long Term Plan 2018/2028, there is still a high level of uncertainty about expenditure needs and relative priorities. As discussed in the Infrastructure Strategy, further work is scheduled over the next three years to inform the Long Term Plan 2021/2031. In the meantime, the level of renewal expenditure has been increased on an incremental basis as affordability permits. The adequacy of this provision will be reassessed with the Long Term Plan 2021/2031.

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

² The annual network charge.

³ NZ Transport Agency funding also funds operational expenditure on roads.

⁴ Projected debt plus increasing capacity to fund reserve expenditure.

- **Funding for roads for extended to 2027/2028**

In order to maintain a level close to current standards for roads, the targeted rate for exotic forestry has been extended for the period of this plan. In addition the level of the targeted rate currently \$397,800 (exclusive of GST) will be increased annually by the appropriate LGCI index.

- **Growth and Development Contributions**

Population and rating base projections indicate there will be some growth within the Kaipara District over the term of the Long Term Plan 2018/2028 and the 30 years of the Infrastructure Strategy. Growth is expected largely in Mangawhai and its surrounding district. Other areas are expected to have only slight increases (central Kaipara) or no increases (west and north Kaipara). This puts the quantum of the Development Contributions collected for areas other than Mangawhai in question.

2.0 Financial Strategy

Background

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

The Local Government Act 2002 (LGA) requires Council to take account of a number of principles when determining how it wishes to fund its different activities. These include:

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

In addition to the requirements of the LGA, Council has a set of policy criteria to guide decisions on the Financial Strategy and other financial matters. They are:

- simplicity - Council's plans and policies should be clear and easy to understand. Overly complex plans and policies detract from and have an unnecessary cost;

- community support - the revised plans and policies should be acceptable to the community;
- equity - plans and policies should be fair and treat like with like both now and in the future. Further, those who contribute to the need for the activity should pay more;
- stability/durability - the plans and policies should be stable and have longevity and so give some certainty to people over time;
- affordability - the levels of services and costs of the activities need to produce rates, fees and charges that are affordable for people; and
- fair distribution - use the Uniform Annual General Charges (UAGC) to ensure a fair distribution of costs across all ratepayers given the marked difference in land values across the District.

The financial statements included in this Financial Strategy use the actual results reflected in the Annual Report 2016/2017.

Population, Land Use and Rating Base Growth

Within the district the east growing faster than the west and north, where growth is predicted to be flat or, in some areas, declining. To some extent actual data from rating base figures supports the census data. However, even in times when growth has been slow there is still steady upward movement in other areas.

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

Figure 1a: Annual Rating Unit Growth Forecasts 2018/2028

Area	Years 1 – 5 2018/2019 – 2022/2023	Years 6 – 10 2023/2024 – 2027/2028
Ruawai, Te Kopuru, North and Kaipara Coastal	0.4%	0.4%
Kaiwaka	2.0%	2.0%
Mangawhai	2.4%	2.5%
Maungaturoto	0.2%	0.2%
Dargaville	0.2%	0.2%
Rest of District (including all other areas)	1.2%	1.3%
Kaipara District (all)	1.0%	1.0%

Mangawhai Development Contributions⁵ has a different growth profile, as set out below.

⁵ The Mangawhai development contributions growth profile is different from the growth projection for Mangawhai as a whole because (1) it is a much smaller area, and (2) much of the growth in the Mangawhai wastewater area will not attract a Development Contribution as they have either paid already or are paying a capital contribution through rates.

Figure 1b: Annual Development Contributions Growth Forecasts 2018/2028 - Mangawhai

Area	Year 1 2018/2019	Year 2 2019/2020	Year 3 2020/2021	Year 4 2021/2022	Year 5 2022/2023	Year 6 2023/2024	Year 7 2024/2025	Year 8 2025/2026	Year 9 2026/2027	Year 10 2027/2028
Mangawhai	4.3%	4.2%	5.1%	4.9%	4.6%	4.4%	4.2%	4.1%	3.9%	3.5%

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

A particular characteristic of the Kaipara is that approximately 74% of the ratepayers reside within the District and 26% outside the area. For Mangawhai these figures are 47% within the District and 53% outside the area. The percentage of ratepayers residing outside of the district has reduced from the Long Term Plan 2015/2025.

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

The key exception is the wastewater plant at Mangawhai, where the Development Contributions growth forecasts are an essential part of the forecasted revenues. This is discussed further in this Strategy and in more detail in the Revenue and Financing Policy and the Development Contributions Policy which is part of the Long Term Plan 2018/2028.

Financial Overview

To deliver our services to the community and maintain the District's assets to the level forecast over the next 10 years (2018/2028) will require an investment of \$523 million for operating expenditure and \$227 million for capital expenditure.

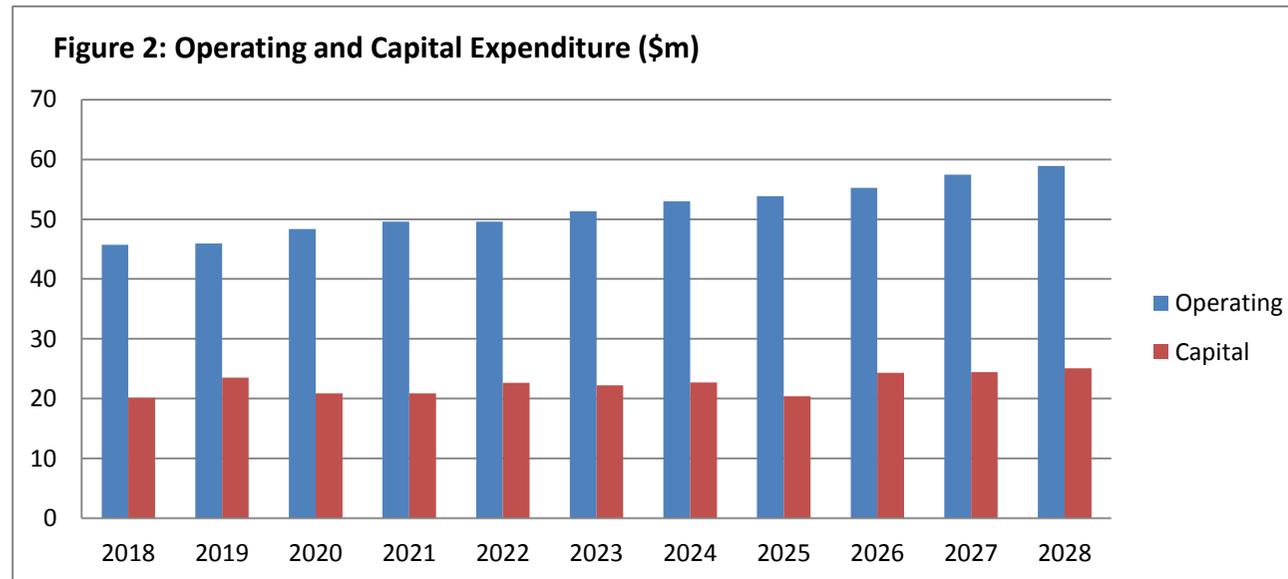
For operating expenditure this means the level of expenditure is relatively even in the earlier years, each subsequent year largely reflecting a LGCI rise.

The exception is employee benefits. Over the last two to three years increased demand on Council's services has largely been absorbed by current staff. The cumulative effect of this is:

- service levels falling below desired levels in some areas;
- Council not adequately addressing some statutory obligations; and
- internal infrastructure, particularly IT, falling below what is required to support Council's customer facing activities.

The Plan incorporates an increase in staff numbers in 2018/2019 in key areas. Beyond 2018/2019 there are no budgeted increases to staff numbers. The increased staff numbers is reflected in employee benefit costs in 2018/2019.

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



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

- operating expenditure will be funded primarily through rates and activity revenue (user charges and water rates), grants and NZ Transport Agency (NZTA) funding. Debt will be used to spread the cost of desludging;
- capital expenditure will be funded primarily through rates, development contributions and NZTA funding; and
- borrowing is used minimally over the forecast period given that it reduces over the plan period.

Overall, while not fully rate funding depreciation until 2021/2022 (with the exception of roading as it has funding from the NZTA and Mangawhai Community Wastewater Scheme (MCWWS) until 2025) and part of the interest costs related to growth in the MCWWS, the books will be balanced from the outset and for the duration of the Long Term Plan. Forecasted revenues are sufficient to cover both operating and capital expenditure over the 10 year period and to provide for net debt repayment.

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

Figure 3a: Forecasted Total Revenue, Expenditure and Operating Surplus 2018/2028⁶ (\$million)

Year end June	2018 ⁷	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Revenue	54.0	55.9	57.5	60.7	62.1	63.0	66.6	66.9	69.5	70.6	72.8
Total Expenditure	45.7	45.9	48.3	49.6	49.6	51.3	53.0	53.9	55.3	57.5	58.9
Net Surplus (deficit)⁸	8.2	10.0	9.2	11.1	12.5	11.7	13.6	13.1	14.3	13.1	13.9

Forecasts have been inflated using the LGCI produced by Business and Economic Research Ltd (BERL). The forecast interest rates are the actuals for existing loans and swaps. The interest cost of the new debt or refinanced debt is assumed to be at an average of 5.07%, which is a conservative estimate, using the long term average forecasts and a margin applicable to Council on borrowings from the Local Government Funding Agency (LGFA).

Finding the Right Balance

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

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

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

⁶ Refer Prospective Statement of Comprehensive Revenue and Expense.

⁷ Annual Plan 2017/2018.

⁸ Net surplus (deficit) prior to Gain/Loss on Asset Revaluations.

The main growth related project is the MCWWS. To date it has largely been debt funded. The forecasts for the next 10 years project that the portions paid by the Mangawhai Community and the District will be repaid over the original 30 years. Future users' portion of the debt is projected to be repaid over 40 years.

For assets that already exist, renewal expenditure is required. Depreciation recognises that the value of the asset diminishes over time. By funding the depreciation, a reserve is set up that can be used to fund the renewal expenditure when it falls due. This means that those who use the asset contribute to its upkeep and replacement ensuring that there is intergenerational equity. Depreciation is fully funded for all asset classes other than water, stormwater and wastewater from year 1 of this Long Term Plan. Roading depreciation is fully funded when the NZTA subsidy on renewal works is taken into account. The impact of this is that:

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

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

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

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total depreciation	9,882	10,423	10,997	11,613	12,283	12,872	13,355	13,851	14,419	15,031
Unfunded depreciation:										
Roads and footpaths ⁹	3,813	3,929	4,053	4,193	4,351	4,512	4,685	4,869	5,064	5,271
Mangawhai Community Wastewater scheme	549	478	408	325	231	124	-	-	-	-
Other	400	257	196	-0	-	-	-	-	-	-
Total unfunded depreciation	4,763	4,664	4,657	4,519	4,582	4,636	4,685	4,869	5,064	5,271
Total funded depreciation	5,120	5,759	6,340	7,094	7,701	8,236	8,670	8,982	9,356	9,760

The table shows the total level of depreciation and what is funded, together with the unfunded portions for Council. The key point to note is that funded depreciation steadily increases until unfunded depreciation is zero for everything other than Roads and Footpaths and the MCWWS by 2022 i.e. depreciation is fully funded for these activities. Roads and Footpaths project expenditure, including renewals, is partially funded by the NZTA subsidy at the time the project is undertaken which

⁹ Overall, between the NZTA and Council, Roads and Footpaths is 100% funded.

means fully funding depreciation is not required. Fully funding the depreciation for the MCWWS is scheduled for 2025 rather than 2022 as it is with other activities to coincide with the maximum term of the current operating contract.

Fully funding depreciation will allow Council to fund normal renewal levels of expenditure within projected revenues and reserves. However, we have catch-up renewals to manage as well. While the exact need and relative priority is not known at present, where possible a provision is being built up to manage this additional expenditure. Beginning in the later years of the Long Term Plan 2018/2028 catch-up renewal is expected to be prioritised and cleared over a 30 year period.

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

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

- keep expenditure to base levels of service, no “extras”, and operate a “just in time” policy in regard to undertaking capital expenditure. This will see levels of service generally being maintained at current levels;
- smooth the impact of desludging costs by loan funding rather than rates funding in the year it occurs¹⁰;
- phasing in rate increases where it is prudent to do so, for example the move to fully fund depreciation and to set up provisions for priority expenditure over and above depreciation levels to restore assets to an appropriate condition and avoid loan funding for operating expenditure in the future; and
- move towards allocating the costs to wider groups who benefit from the service or who cause the costs.

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

The increase in rating levels in 2018/2019 through to 2020/2021 means that Council results in a more sustainable funding base. This means the base level of services can be funded within current income, financial risk is reduced and financial resilience is increased as debt is steadily retired over the 10 year period. There is some capacity to make investments for our communities in outer years (albeit limited).

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

¹⁰ Unless new technology provides an economical alternative and loan funding of rate spikes is not required.

Investing In Our Communities

Making the Kaipara a district with welcoming and strong communities is a key goal for Council. Council works with the people of Kaipara to support community involvement, improve infrastructure and to support achievement. Through the range of services that we deliver and our community leadership role we make a significant contribution to the future success of the District. The delivery of these services will be efficient, effective and appropriate for the circumstances, both now and in the future.

Council's contribution needs to be balanced with the need to keep rates at an affordable level and for the organisation to operate in a financially prudent manner. We recognise there are limits to the level of rating that the community can afford to pay. In this regard Council has compared its level of rating with the threshold for an affordable level of rating against the median household income as suggested by the Rates Inquiry¹¹. We also need to strike a fair balance between what today's ratepayers pay for, the assets and services they consume versus users of the future, and ensure we are able to deal with unexpected events.

Operating in a financially sustainable way is a delicate balancing act. The Long Term Plan 2015/2025 moved towards achieving a more appropriate balance over time by reducing our levels of debt and increasing our rating base so that today's ratepayers are paying for the services they receive. This Long Term Plan continues these principles.

Council believes that we need to support communities by providing for renewals, being mindful of the level of debt and preserving a conservative financial position in order to reduce risk and increase flexibility and resilience for the future.

Making this happen will require \$523 million in operating expenditure and \$227 million of capital expenditure over the 10 years of the Plan. A significant driver of this expenditure is the need to operate and maintain Council's assets. Of the total operational spend, around 63% is directly related to the delivery of core infrastructural asset services (roading, water supply, stormwater and wastewater services). Core infrastructural assets account for around 90% of Council's capital expenditure.

The pie charts below show the allocation of expenditure to the different activities. It is important to recognise that roads and footpaths are the single biggest expenditure item, representing 37% of operating expenditure and 58.6% of capital expenditure. Most of this expenditure relates specifically to roading. The next biggest activity is Sewerage and the Treatment and Disposal of Sewage at 16% and 15% for operating and capital expenditure respectively. The MCWWS represents approximately 80% of the total operating expenditure for the sewerage activity.

¹¹ The Local Government Rates Inquiry report indicated that rates are affordable if they equate to 5% of gross household income.

Figure 4a: Operating expenditure (\$523 million) over the next 10 years by activity

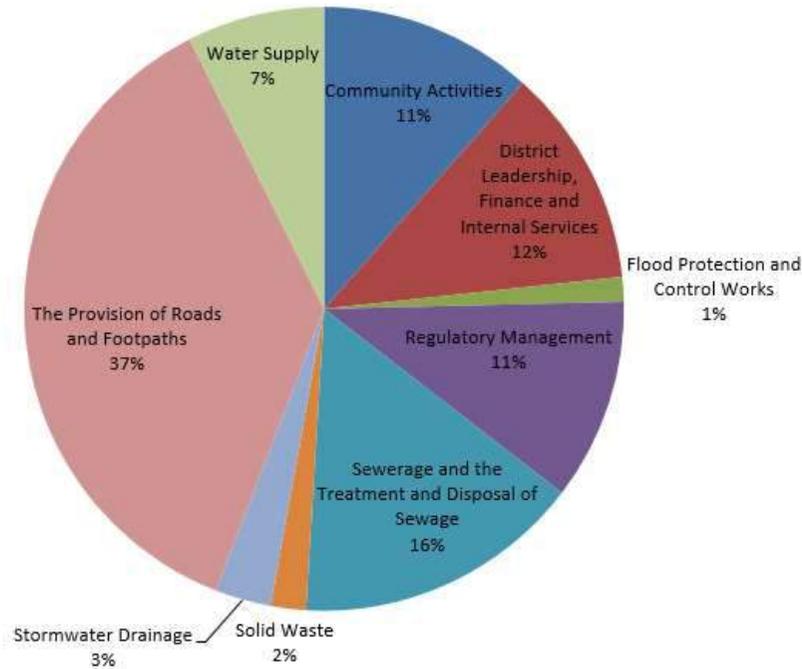
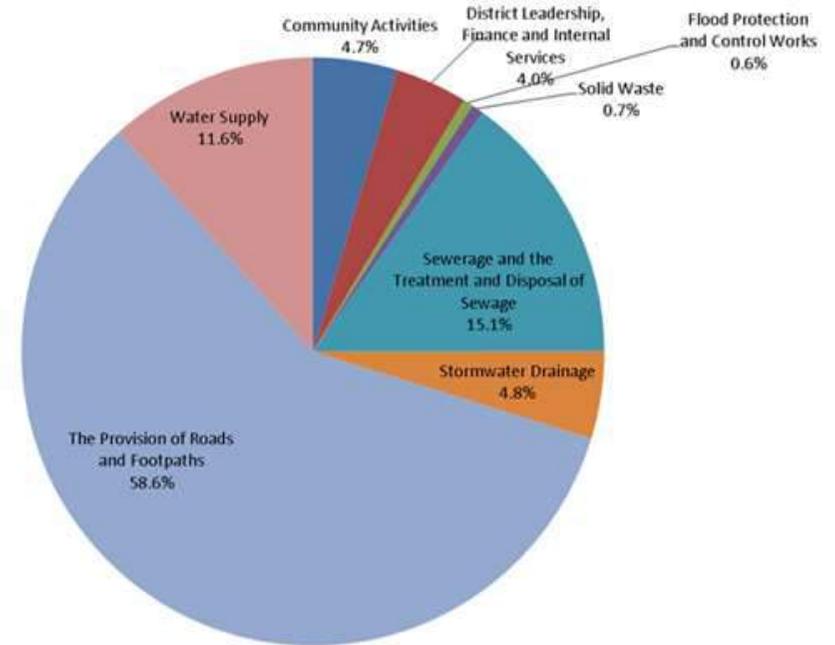


Figure 4b: Capital expenditure of \$227 million over the next 10 years by activity



Council’s net assets at the beginning of the period, 30 June 2018, are forecast to be \$616 million and at the end of the 10 years, 30 June 2028, are forecast to be \$885 million.

Funding the investment

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

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

Rates

Rate funding is applied to operating expenditure after other available funding sources have been used. Rates are also collected for renewals via depreciation and servicing corporate debt (interest and principal) repayment.

Council maximises all sources of non-rate income, especially subsidies and grants. Over the three years to 2017/2018 we increased the percentage of income collected by rates. In 2017/2018 we forecast collecting 46% of income from rates. During the period covered by this plan this increases from 56% in year 1 to 60% in year 10, well within the policy limit of 76%.

Figure 5: Annual Operating Rates Revenue and Forecasted Movements 2018/2028¹²

Year End June	2018 ¹³	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Rates (\$m)	29.5	31.2	33.1	34.9	36.2	37.0	39.0	39.8	40.8	42.4	43.6
Total Revenue (\$m) ¹⁴	53.9	55.9	57.5	60.7	62.1	63.0	66.6	66.9	69.5	70.6	72.8
Total Rates % of Total Revenue ¹⁵	54.61%	55.78%	57.64%	57.47%	58.20%	58.80%	58.64%	59.50%	58.75%	60.12%	59.96%
Forecast Increase for Total Rates (excluding growth)	2.65%	4.97%	5.26%	4.83%	3.08%	1.90%	4.89%	1.52%	2.08%	3.39%	2.31%
Rates Increase Policy	5.1%	4.0%	4.2%	4.2%	4.2%	4.3%	4.3%	4.4%	4.5%	4.6%	4.7%

In the Long Term Plan 2012/2022 Council established a ceiling to rate increases to guide financial planning. The limit was established at Local Government Cost Index (LGCI) plus 2%. The LGCI is prepared and published by independent economic consultants BERL. The 2% was to provide funding for new capital works required from time to time. Rate increases are measured on income after deducting penalties, water targeted rates and growth in the rating base.

The Long Term Plan 2018/2028 forecasts the ceiling to be exceeded in each of the first three years. In years 4-10 rate increases are forecast to be less than the ceiling, other than 2023/2024. Over the 10 year long term plan period cumulative increases will be less than the ceiling. In 2018/2019 the increased rate revenue is forecast at \$1.7 million or 5.97%. From this growth 1.00% is deducted to give an increase of 4.97% against a ceiling of 4%. The forecast increase for 2019/2020 and 2020/2021 are 5.26% and 4.83% respectively compared to ceilings of 4.2% in each year.

It is important to recognise that the percentage increase outlined above are only averages. Hence, the specific rates paid by an individual ratepayer could vary widely around this number with some being higher and others being lower. In addition, the specific targeted rates (e.g. water and wastewater) applying to a particular property will also need to be considered. Tables showing the impact of the movements on a selection of individual properties are included in the Funding Impact Statement set out in the Long Term Plan 2018/2028.

¹² Excluding rate penalty income and water supply rates.

¹³ Annual Plan 2017/2018.

¹⁴ Excludes non-cash items.

¹⁵ Calculated on \$000's.

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

Rating Structure

The Revenue and Financing Policy and the Funding Impact Statement set out in the Long Term Plan 2018/2028, incorporates Council's rating structure.

The rating structure is largely unchanged from that applied in the Long Term Plan 2015/2025.

The key elements of the structure are:

General rate

- Calculated on Land Value with four differentials (for land other than in the Mangawhai Harbour Restoration Area: 100% for residential and small sized lifestyle land under 2 hectares; 155% for all other land use categories and for land in the Mangawhai Harbour Restoration Area: 101% for residential and small sized lifestyle land under 2 hectares and 156% for all other land use categories).
- Uniform Annual General Charge (UAGC) set at \$728.00 which is close to the maximum limit permitted under the Local Government (Rating) Act 2002;

Network infrastructure rates

- There is one rate for each of the five schemes (except for the Te Kopuru wastewater scheme), made up of operating costs (excluding depreciation and interest) across the District divided by the number of units in the District, together with individual scheme costs for defined capital costs (including funded depreciation, interest and loan repayments) for each scheme divided by the number of scheme users. Specifically:
 - Stormwater. Targeted rates for the five networks (Baylys, Dargaville, Te Kopuru, Kaiwaka and Mangawhai) based on land value;
 - Wastewater. Targeted rates for five schemes (Dargaville, Glinks Gully, Maungaturoto, Kaiwaka and Mangawhai) for connected properties at 100%, 75% connectable properties and 50% for multiple pans beyond the second (non-residential only). The charge is per Separately Used or Inhabited Part (SUIP) for residential purposes and per rating unit and pan for non-residential;
 - Water. Targeted rate for six networks (Dargaville (including Baylys), Glinks Gully, Ruawai, Maungaturoto (Station Village), Maungaturoto (Township) and Mangawhai) on a differential basis between metered and other properties. Volumetric charges apply for the metered properties and a fixed amount for other properties;
- Te Kopuru wastewater. For affordability reasons, Council has calculated the targeted rate based on land value for the Te Kopuru network separately on a scheme basis manner from all other schemes (as set out above). For Te Kopuru, there is one rate for the scheme made up of individual scheme costs.

Specifically:

- A targeted rate at 100% for connected properties, 75% connectable properties and 50% for multiple pans beyond the second (non-residential only). The charge is per SUIP for residential purposes and per rating unit and pan for non-residential; and
- Other targeted rates
 - Land Drainage. 29 targeted rates for the 29 committees, value based rates on undifferentiated land value for 29 schemes and differentiated land value for Raupo.
 - Mangawhai Harbour Restoration Area undifferentiated uniform charge.
 - Ruawai Tokatoka Hall area an undifferentiated uniform charge.
 - Forestry Targeted rate. A value based rate on undifferentiated land value for exotic forestry properties.
 - Mangawhai Community Wastewater Scheme (MCWWS). Four capital contributions continue to fund part of the capital cost of the MCWWS and to ensure equity amongst current and future users of the scheme.

The Funding Impact Statement, which forms part of the Long Term Plan 2018/2028, sets out the structure in more detail and illustrates this impact on sample properties.

Mangawhai Community Wastewater Scheme

The debt attributable to the MCWWS was \$58 million at June 2012. The debt was, under the original funding arrangements prior to the adoption of the Long Term Plan 2012/2022, forecast to grow significantly as interest and other operating costs were to be funded from additional borrowing until further development had occurred.

The Long Term Plan Amendment adopted with the Annual Plan 2013/2014, refined the attribution of debt and rates for the different communities' debt allocations. In summary the attribution was; existing community (connected and connectable) \$13.4 million, future communities (development contributions) \$26.2 million and district-wide community \$18.4 million to be funded from general rates.

The Long Term Plan 2018/2028 continues the strategy set out in the previous Long Term Plan. The existing community will continue debt repayments at the same rate per annum. Development contributions will be collected at the rate per unit set out in this Long Term Plan. District-wide ratepayers will continue to repay attributed debt as part of general rates.

While the existing community and future community debt repayment continues for the originally planned 30 to 40 years respectively, the district-wide community will see a reduced term. Sales of surplus assets and other general surpluses have been applied to reduce the debt.

The operational costs of the MCWWS continue to be charged to the existing community subject to any equalisation as set out in the Long Term Plan.

Roading Activity Funding

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

Operating costs amount to around \$191 million or 36% of the operating budget over the 10 years covered by this Plan. Capital costs also amount to \$129 million or 59% over the same period. It is important to balance the allocation of the costs associated with roading between those who benefit from the activity and those who create additional maintenance demands (i.e. exacerbators).

Roading costs in the general rate contribute to differentials on land use categories (for land other than in the Mangawhai Harbour Restoration Area: 100% for residential and small sized lifestyle land under 2 hectares; 155% for all other land use categories and for land in the Mangawhai Harbour Restoration Area: 101% for residential and small sized lifestyle land under 2 hectares and 156% for all other land use categories). This reflects the view that roads are a public good where everyone benefits and can use them and there is a difference, assessed by using land use categories and how much each category uses the road network and the extent to which they contribute to the costs of that network.

A Forestry Roding Targeted Rate was introduced in 2015/2016 for the six years to 2021 in order to fund the impact of forestry and logging trucks and maintain close to current standards on Council roads. The heavy metalling funded by the targeted rate is achieving the objectives, but logging activities are continuing beyond the originally expected completion date. This plan extends the targeted rate to the year ended 30 June 2028 and increases the \$390,000 rate by the appropriate LGCI.

Further detail is set out in the Funding Impact Statement.

Water Supply, Stormwater and Wastewater Services

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

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

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

Further detail is set out in the Revenue and Financing Policy and the Funding Impact Statement.

Fees and User Charges

Fees and charges are applied where there is a clear link between the user and service. This area includes the regulatory Fees and Charges that are set out as part of this Plan and activity charges such as water rates. Activity revenue is forecasted to be \$58 million over the 10 years of the Plan. The full cost of the service is charged where possible although there is sometimes an element of public good included in the service which is funded by the general rate. Further details are set out in the Revenue and Financing Policy.

NZ Transport Agency Funding and Grants

Council is projecting to receive \$53 million in operating revenue and a further \$80 million for capital works predominantly from the NZ Transport Agency (NZTA) for roading. This level of funding reflects the 61% funding assistance rate for the 10 years of the Long Term Plan 2018/2028 for most undertakings. This means that existing base levels of service and limited improvements can be funded. A reduction of funding of any significance would have a corresponding impact on our roading network. We have assumed that central government will continue to provide funding at 61% for the term of this plan.

Development and Financial Contributions

Income from Development Contributions has been calculated in accordance with the Development Contributions Policy which forms part of the Long Term Plan 2018/2028. It relies on the identification of the growth related portion of capital expenditure and assumptions about the rate of growth. The growth assumptions need to be continually monitored to ensure that forecasts are on track.

Council is projecting to receive Financial and Development Contributions of \$27.7 million for growth related capital expenditure (including the MCWWS) over the 10 years of the Plan.

Figure 6: Forecasted Development and Financial Contributions 2018/2028 (\$000's)

Year End June	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Development contributions	648	1,954	1,980	2,509	2,489	2,487	2,491	2,494	2,498	2,501	2,330
Financial contributions	540	540	551	562	574	587	445	341	233	119	0
Total Contributions	1,188	2,494	2,531	3,071	3,063	3,074	2,936	2,836	2,730	2,620	2,330

Other Income

Council is projecting to receive income from other sources of \$3.5 million over the 10 years of the Plan. It is primarily made up of local authority fuel tax, fines and infringement fees.

Investments

Our Investment Policy incorporated in the Treasury Policy was adopted and is available on Council's website.¹⁶

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

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

The Local Government Funding Agency (LGFA) is an acceptable counterparty for both investments and for borrowing. This is explicitly covered in both the Investment and Liability Management policies.

Council owns a few forestry assets. All income from forestry is included in the consolidated revenue account. Any disposal of these assets requires specific approval.

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

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

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

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

Our Investment Targets

- We will aim to exceed the weighted average official cash rate over the financial year from any external financial investments.

¹⁶A copy of this report is available on the Council website (www.kaipara.govt.nz).

Borrowing

Council's Liability Management Policy incorporated in the Treasury Policy was adopted and is available on Council's website¹⁷. Normally we would borrow to fund new capital expenditure and repay the debt over the life of the loan to promote intergenerational equity and manage the impact of significant expenditure over time. Borrowing is also used to address timing issues and to fund short term needs.

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

We will source borrowings through the LGFA along with traditional sources in order to achieve the lowest possible cost of debt. Primarily we source borrowings from the LGFA but maintain relationships with traditional sources to ensure we achieve the lowest possible cost of funds.

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

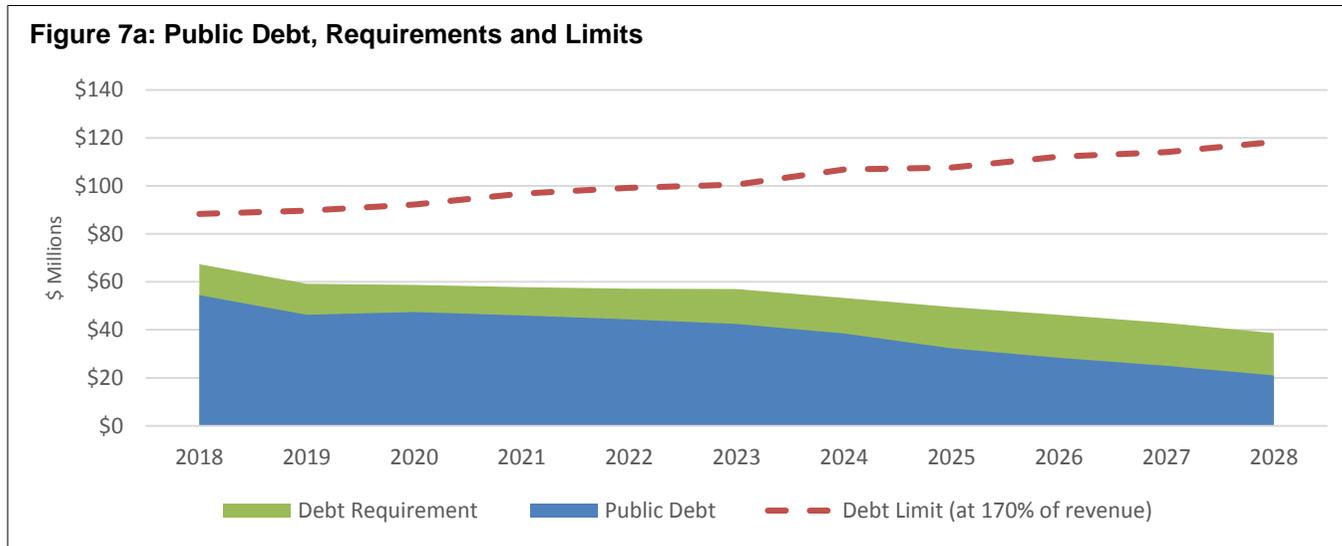
Council's external debt was \$76.3 million at 30 June 2014. Over the three years to June 2018 Council's debt has been reduced more than forecast in the Long Term Plan 2015/2025. It is anticipated debt will be \$48.2 million at June 2018 (compared with \$70.7 million forecast in the plan).

This reduction was achieved through asset sales and tight control of spending costs resulting in greater than forecast spending surpluses.

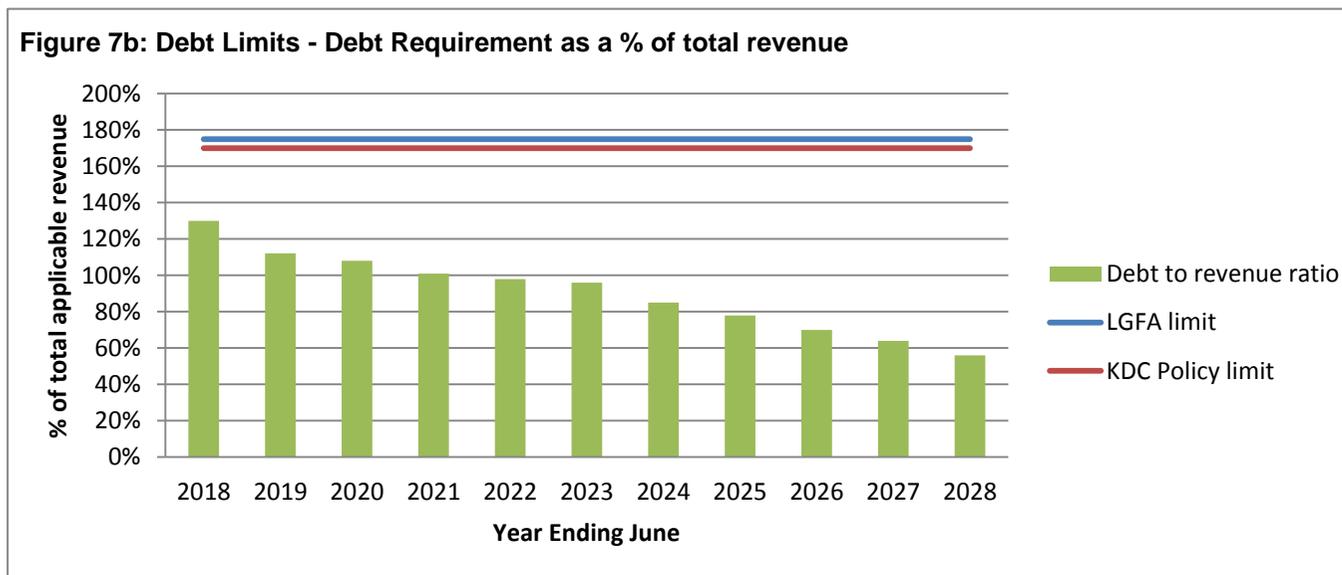
The aggressive reduction of debt has been modified in the plan returning to the more modest reduction of the 2015/2025 plan. Debt will decrease from its current level to \$46.3 million at June 2019 then track down each year reaching \$21.0 million in June 2028. The increased debt in 2018/2019 is a result of a higher capital works programme.

Council has set debt limits in order to provide services, undertake its stewardship obligations while managing its debt and keeping it within fiscally responsible levels. The graphs below show the debt requirements (projected debt plus increasing capacity to fund reserve expenditure) over the 10 years and compares them with Council's maximum allowable limit and the preferred limit. It shows that the debt to revenue ratio steadily declines and that it is within Council's preferred limit at all times during the 10 years of the Long Term Plan 2018/2028.

¹⁷ A copy of this report is available on the Council website (www.kaipara.govt.nz).

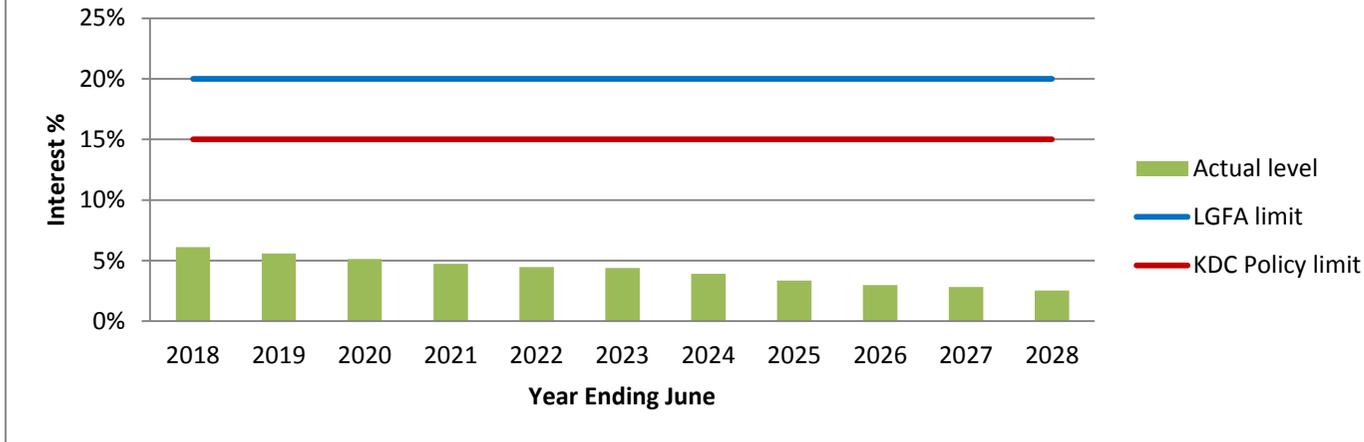


Debt requirement decreases from forecast \$67.4 million at June 2018 to \$38.7 million at June 2028.



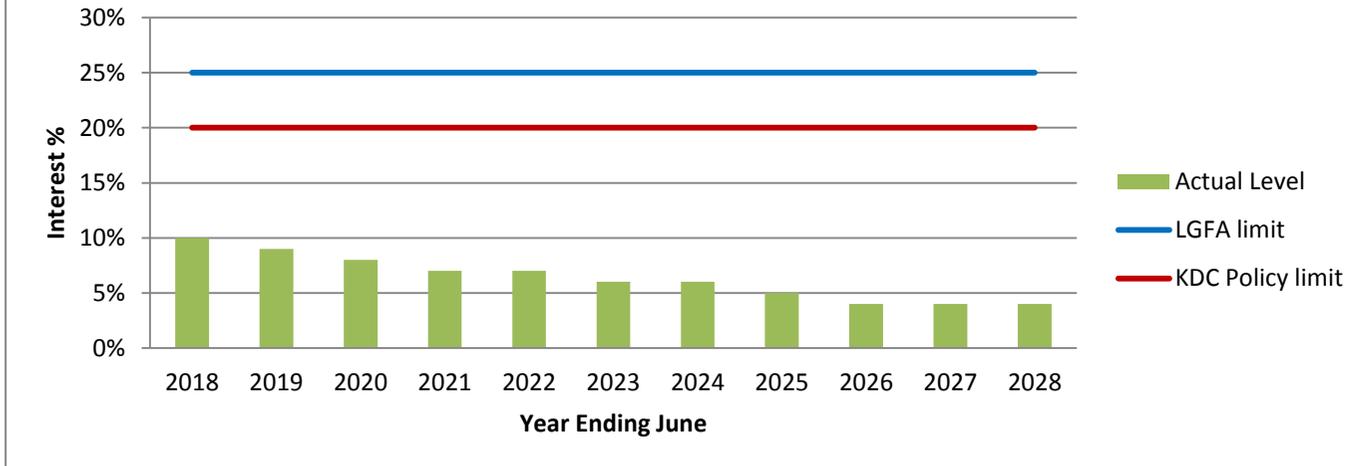
At all times the debt to revenue is within Council's Treasury Policy limit of 170%.

Figure 7c: Interest Limits - Interest as a % of total revenue



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

Figure 7d: Interest Limits - Interest as a % of annual operating rates



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

During the course of the Long Term Plan 2018/2028, debt projections are generally lower than the debt requirement because of internal borrowing¹⁸. 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.

Figure 8: Public debt projections compared to public debt requirements 2018/2028 (\$millions)

Year End June	2018 ¹⁹	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Public Debt projections	54.5	46.3	47.4	46.0	44.3	42.5	38.5	32.3	28.3	25.0	21.0
Future Reserve Obligations	12.9	12.9	11.3	11.8	12.8	14.6	14.8	17.2	17.9	17.9	17.7
Debt requirement	67.4	59.2	58.7	57.8	57.2	57.0	53.3	49.5	46.3	42.9	38.7

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

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

- there is a direct relationship between the debt and the purchase or construction of the asset which it funds; and
- we consider a charge over physical assets to be appropriate.

Securities are not provided for our own internal borrowing.

Financial Implications of Service Provision

The Council is required to provide a statement on our ability to provide and maintain existing levels of service and to meet additional demands for services within the rates and borrowing limits. As outlined in this Strategy for the 10 years to 2028 the expenditure incurred to maintain existing services, increase service levels and provide for additional capacity falls within the limits set in this Strategy and its associated financial policies.

¹⁸ In accordance with Council's Treasury Policy.

¹⁹ Annual Plan 2017/2018.

Infrastructure Strategy – beyond the 10 years

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

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

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

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

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

The first 10 years of the Infrastructure Strategy is covered in this Financial Strategy. At the end of the 10 years, public debt will be \$20.9 million which is considered a prudent and sustainable level for the long term. It provides Council with financial resilience and capacity should the need arise. Equally by the end of 2028, depreciation will be fully funded and provide for normal levels of renewals. Additional funding for catch-up renewals is incorporated in the 10 years of the Long Term Plan 2018/2028, from year one for roading, from year eight for wastewater and stormwater and for years four to seven for water supply. The combination of fully funded renewals together with the modest but affordable funding for additional expenditure will see the level of theoretical backlog diminish over a 30 year timeframe. These levels of funding, given current levels of knowledge and uncertainty, together with the available debt capacity should the need arise, is expected to provide for any essential renewal expenditure over the 30 years of the Infrastructure Strategy. This position will be revisited in 2021 and 2024 as further definitive information is available.

Further information is available in the Infrastructure Strategy included in the Long Term Plan 2018/2028.

Infrastructure Strategy 2018/2048

1 Executive summary

Kaipara's infrastructure – its roads, water, wastewater, stormwater and flood protection – are its backbone, making it easy to live in functional and connected communities, and supporting thriving communities working together.

Infrastructure is Council's biggest spend. The funds needed to provide and keep this infrastructure working mainly come from rates: the General Rate (plus NZ Transport Agency (NZTA) subsidies) for roads, some targeted rates, development and financial contributions, and mainly targeted rates for Four Waters infrastructure (water supply, stormwater, wastewater, and land drainage). The key issues facing Council and ratepayers are:

- i. the Four Waters infrastructure has had insufficient investment historically, is getting old and in need of costly renewal (with the exception of Mangawhai wastewater which is relatively new, however will require some renewals over the life of this Strategy). Historically Council has not fully funded depreciation and therefore those reserve funds have not been building up;
- ii. the heavy traffic from forestry harvesting is damaging our roads and for the foreseeable future additional maintenance and renewals are required to respond to this;
- iii. the bridges on the roading network are reaching the end of their lives and require renewal;
- iv. customer expectations are, in some areas, above the ability of Council to provide e.g. sealing of roads and/or the standard of the unsealed low volume roads, and/or managing dust from unsealed roads;
- v. significant investment is required to extend the Mangawhai Community Wastewater Scheme (MCWWS) to complete the reticulation of the township and to accommodate growth; and
- vi. upgrades and improvements to the Mangawhai urban area infrastructure, including intersection upgrades, slow street environments, shared walkways/cycleways, and stormwater improvements are proposed as per the Mangawhai Community Plan.

Some communities may struggle on their own to afford the upgrades and/or renewal of the existing assets required to maintain current service levels.

Our strategic intent is to play our part in supporting thriving communities working together in Kaipara by:

- managing risk appropriately;
- ensuring continuity of these services to people and businesses;
- managing expenditure;

- meeting legislative obligations; and
- ensuring environmental quality is retained.

The strategic targets are in brief:

- i. within the 30 year timeframe of this Strategy, Council will have addressed any deficits in renewals in Four Waters infrastructure;
- ii. within one year all water supplies will demonstrate compliance with the Drinking-Water Standards for New Zealand 2005 (Revised 2008);
- iii. the Four Waters renewals programme will be based on robust asset knowledge to ensure efficient and targeted investment. The first three years will have significant condition assessments;
- iv. within six years the roads will meet all service levels set by NZTA's One Network Road Classification programme;
- v. the MCWWS will be extended to reticulate the township and to accommodate growth; and
- vi. the infrastructure projects identified in the Mangawhai Community Plan (MCP) will be implemented as budgets allow.

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

- a) Depreciation will be fully funded by 2022, except for the NZTA portion of Roding, and for the MCWWS which will be fully funded by 2025;
- b) Response maintenance will continue as it is currently applied;
- c) Roads will continue to be mainly funded by the general rate with a targeted rate on forestry properties to fund the strengthening of unsealed roads heavily used by logging trucks and in later years for dust suppression, and possibly targeted rates for some community-initiated seal extensions, NZTA subsidy, and development and financial contributions;
- d) The current targeted rate regime for wastewater will continue i.e. a targeted rate for each scheme, based on individualised scheme defined capital costs and defined operational costs averaged across the district, with those connected paying 100% of the rate and those able to be connected paying 75% of the rate. An exception will be made for Te Kopuru where the averaging of operating costs has a negative impact that would make being connected to the scheme unaffordable;
- e) The targeted rate regime will continue for water supply and stormwater – a targeted rate for each scheme, based on individualised scheme defined capital costs and defined operational costs averaged across the district;
- f) The current separate targeted rates for flood protection and control (including the Raupo District Drainage Scheme and 28 other defined land drainage schemes) will continue;

- g) Generally no new piping of open stormwater drains will occur except where funded by development;
- h) No extension of areas covered by each scheme has been considered with the exception of MCWWS. Capacity assessments of the schemes in possible growth areas will be undertaken over the next six years and any decision to extend a scheme will be considered on its merits and consulted with the affected communities.

Kaipara District Council (KDC) expects to spend \$774 million on new or replacement infrastructure over the next 30 years - 2018/2048. Over the same period \$962 million is expected to be spent on operational expenditure, excluding finance costs and depreciation. These figures are anticipated to be spread across the five infrastructural asset activities below:

Infrastructure Activity	Capital Expenditure (\$'000)	Operating Expenditure (\$'000)
Water Supply	61,411	96,640
Wastewater	92,293	207,451
Stormwater	77,846	59,341
Flood Protection	36,310	28,426
Roads and Footpaths	506,542	570,976
Total	\$774,402	\$962,834

1.1 Three Waters – water supply, stormwater and wastewater

The increasing renewals programme over the life of this Strategy will result in increased costs. The renewals programme will continue to be refined as and when more asset condition data becomes available over the years to defer any renewals for as long as is practical and economical.

The MCWWS will be extended to complete the reticulation of the township, and to accommodate growth. The majority of these costs will be funded via development contributions.

The option to construct a pipeline (estimated cost \$2.8 million) from the Waitua Dam (Opanake Road) to Dargaville to improve security of supply for the Dargaville and Baylys community during moderate droughts has been included in this Strategy. Variations to the existing water take resource consents will also be required to support this initiative.

Council will undertake studies to assess the effects of the predicted climate change (particularly for lower lying areas), including a 1.0 metre sea level rise and an increase in severe weather events. This is likely to require improvements to the stormwater systems to provide the present level of service for stormwater.

The stormwater infrastructure projects identified in the MCP will be implemented as budgets allow.

1.2 Flood protection (including the Raupo District Drainage Scheme and 29 other defined Land Drainage District Schemes)

The current service levels are deemed appropriate for the full 30 years of this Strategy. The Raupo Drainage Committee will continue to set its own service levels, and Council will consequently set a targeted rate to fund the work. The service levels for the other 29 drainage areas will continue to be set in consultation with the targeted rate contributors.

These service levels may need to be reviewed over time once the studies to assess the effects of the predicted climate change, including a 1.0 metre sea level rise and an increase in severe weather events have been completed.

1.3 Roads and footpaths

Roads maintenance and renewal is already managed under direction of NZTA, through eligibility of Council to collect subsidy funding. Council's strategy for work on roads is that we generally only do work on roads where there is a subsidy available from NZTA, or funding is collected through financial and development contributions. The NZTA subsidy is currently 61%.

An increasing number of bridge assets are reaching the end of their lives and will require renewal. This will result in an increase in funding required for these bridge renewals.

There are no seal extensions programmed to be undertaken in the first three years, however budgets have been provided from Year 4 to undertake seal extensions in the higher growth area of Mangawhai and surrounds.

The roading infrastructure projects identified in the MCP will be implemented as budgets allow.

A business case to identify the preferred option to upgrade the first 10km of the unsealed portion of Pouto Road (Dargaville) that is subject to high forestry traffic volumes will be finalised to support a subsidy application to the NZTA. Otherwise the current service levels are proposed to be maintained for the 30 years.

Response to more severe weather events and the resulting damage to the network may require re-prioritising of renewal works.

The application of the One Network Road Classification system (as required by NZTA) is a relatively new initiative and may dictate some changes in the future to the way the network is operated and maintained as the initiative is refined.

2 Proposed Regional Plan for Northland

Submissions on the Proposed Regional Plan closed on 15 November 2017 and further submissions closed on 26 March 2018. Hearings are scheduled to commence in August 2018.

3 Strategic framework

3.1 Vision

The new Council Vision for Kaipara is *'Thriving communities working together'*.

3.2 Community outcomes

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

A district with welcoming and strong communities

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

A trusted Council making good decisions for the future

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

A district with plenty of active outdoor opportunities

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

4 The Future of Kaipara: An overview of population and housing change

4.1 Population growth

Statistics New Zealand (SNZ) issued revised population *projections* on 22 February 2017, using an estimated resident population at 2013¹ as the new base.

The LTP 2015/2025 assumptions used the high growth scenario with population projections of:

- 20,000 in 2016 - already exceeded by the 2013 base of 20,500;
- 21,400 in 2026 - a figure now expected to be exceeded three years earlier in 2023 by even the updated low growth scenario of 22,600; and
- 22,000 in 2031 - a figure now expected to be exceeded three years earlier in 2028 by even the updated low growth scenario of 22,800.

These higher projections reflect stronger than expected growth up to the 2013 Census and estimated between 2013 and 2016 with the economic recovery and strong migration. In moving to the latest 2017 projections data, a decision needs to be taken on whether to continue to use the high growth scenario or to use lower growth options. The annual average population increases under the three scenarios are:

- High - population increase of 8,300 over 30 years = 276 persons per annum;
- Medium - population increase of 4,700 over 30 years = 157 persons per annum; and
- Low - population increase of 1,200 over 30 years = 40 persons per annum.

For comparison, the SNZ subnational population estimates going back to 1996 show that despite slower growth in the 10 years up to 2006, the district grew by an average of 315 persons per annum in the 10 years from 2006 to 2016. Even the recently updated SNZ *high* growth scenario of 276 persons per annum is below the average of 315 persons per annum seen from 2006 to 2016. If one assumes some moderation of the 2006/2016 highs due to the cyclic nature of economic development and growth, then use of the updated *high* growth scenario is reasonable. This is supported by the increasing influence of Auckland over time, particularly in the southern part of the district, which should see sustained population growth over time.

4.2 Population growth distribution

It is expected that most population growth will continue to occur in the eastern part of the district. The SNZ revised population *projections (high series)* issued on 22 February 2017, give resident population projections down to Census Area Unit (CAU) level using the 2013 base.

¹ This estimate differs from the usually resident (UR) population of the district of 18,963 published in the 2013 Census results but because the 22 February 2017 release data with 20,500 usual residents represents the latest calculations by Statistics New Zealand, it is used for the purposes of the LTP 2018/2028 assumptions.

The table shows shares of district growth over various time periods. With reference to the LTP timeframe 2018/2028, it shows:

- Dargaville taking 10.7% of district population growth, growing by 310 persons to reach a population of 5,330 by 2028;
- a 76.2% share of district population growth (2,210 persons) occurring in the southern half of the district with rural Rehia-Oneriri (31.0%) and the combined Mangawhai CAUs (40%) taking the bulk of that growth;
- relatively low shares of growth in the smaller urban CAUs of Ruawai (0.3%), Kaiwaka (2.8%) and Maungaturoto (2.1%) totalling just 150 persons; and
- continued low shares of district growth (14.5%) in the north and northwest, totalling 420 persons.

4.3 Population fluctuations

The LTP 2015/2025 assumption, using occupied to unoccupied dwelling data from the Census, was that a significant proportion of unoccupied dwellings in the district become occupied during holiday periods. The data used in the LTP 2015/2025 was from the 2006 Census. Data is now available for the 2013 Census and the assumption can be updated with the new data. At the time of the 2013 Census an average 26% of dwellings (2,764 of 10,681) were unoccupied with highs of 63% and 35% unoccupied dwellings in the two Mangawhai CAUs (an average of 52.7%). Rates of unoccupied dwellings in Te Kopuru (10.6%), Maungaru (6.5%), Dargaville (7.2%), Maungaturoto (10.0%), Ruawai (11.4%) and Kaiwaka (13.3%) are lower and likely reflect normal rates of vacant dwellings, at any given time of the year; those under renovation, awaiting new owners or tenants etcetera. It is not expected that these areas will have any significant numbers of vacant holiday homes that fill and add to population in holiday periods. By contrast, Kaipara Coastal (27.3%), Rehia-Oneriri (24.8%) and Mangawhai (52.7%) have significantly higher vacancy rates and are likely to see population fluctuations as vacant homes are occupied in holiday periods. In an effort to estimate the scale of population fluctuation:

- assume occupancy of up to 100% of dwellings in Kaipara Coastal, Rehia-Oneriri and Mangawhai during holiday periods;
- for normally unoccupied dwellings in these areas, assume occupancy of 0.5 persons per dwelling above the 2013 average occupancy in Kaipara Coastal, Rehia-Oneriri and Mangawhai during holiday periods to take account of families with children and guests, which are likely to result in higher average occupancy than normally occupied dwellings; and
- assume no change in dwelling occupancy in Maungaru, Dargaville, Te Kopuru, Ruawai, Maungaturoto and Kaiwaka during holiday periods.

Using the 2013 base data, the usually resident district population of 20,600:

- could have risen during holiday peak times by over 7,000 persons (7,111) to 27,600, an increase of 35%; and
- just under half of that increase was in Mangawhai, gaining 3,400 persons at peak, an increase of 131%.

4.4 Dwelling growth

The assumption is for steady to strong dwelling growth in LTP decade 2018/2028 moderating in the 2028/2038 decade as population growth rates begin to slow with an aging population. Projections indicate:

- nearly 2,000 (1,912) additional dwellings built in the district over the LTP 2018/2028 period; and
- another 1,400 built between 2028 and 2038.

The largest amounts of dwelling growth will be in the Mangawhai CAUs with over 1,000 dwellings delivered in the 2018/2028 period and another 900 dwellings by 2038. Rehia-Oneriri CAU, covering much of the southern part of the district is expected to see ongoing strong growth (450 dwellings in the LTP decade 2018/2028 and over 300 more dwellings out to 2038). Dargaville is expected to gain 130 dwellings over the LTP period and 70 more homes built in the following decade to meet a modest growth in population.

4.5 Assumptions

The assumption is that population growth will be in line with Statistics New Zealand's 2013 base high series projections which will see population increases of:

- 2,900 (12.5%) from 23,100 to 26,000 between 2018 and 2028; and
- 2,000 (7.7%) from 26,000 to 28,000 between 2028 and 2038.

The SNZ projections show the population growth rate slowing in all regions, cities, districts of New Zealand, including Kaipara district, between 2018 and 2038 because:

- all areas will be home to more people aged 65 years and over by 2038; and
- deaths will increase relative to births in almost all areas as the population ages.

The assumption is that between 2018 and 2028, most population growth will continue to occur in the southern part of the district with rural Rehia-Oneriri CAU growing by 900 people and Mangawhai growing by 1,160 people to reach a population close to 5,000. The smaller urban CAU in the south, Ruawai, Kaiwaka and Maungaturoto, will grow by a combined 150 persons although there will be considerable growth in the rural area around them. Dargaville will grow quite strongly by 310 people to reach a population of 5,330 by 2028. There will be a continued low share of district growth (just 14.5%) in the north and northwest, totalling 420 persons.

The population of Kaipara district is known to fluctuate significantly during the year. Assumptions are that:

- the resident district population of 23,100 persons in 2018 could increase by around 5,600 persons during peak holiday periods to almost 30,000;
- the resident district population of 26,000 persons in 2028 could increase by over 7,000 persons during peak holiday periods to over 33,000; and
- as Mangawhai grows from a usual resident population of around 3,700 in 2018 to around 4,890 in 2028, its population could fluctuate to 7,700 in 2018 (an increase of around 4,000 at peak) and just over 10,000 in 2028 (an increase of over 5,000 at peak).

4.6 Most likely scenario

The following table shows shares of district growth over various time periods. With reference to the LTP timeframe 2018/2028, it shows:

- Dargaville taking 10.7% of district population growth, growing by 310 persons to reach a population of 5,330 by 2028;
- a 76.2% share of district population (2,210 persons) occurring in the southern half of the district with rural Rehia-Oneriri (31.0%) and the combined Mangawhai CAUs (40%) taking the bulk of that growth;
- relatively low shares of growth in the smaller urban CAUs of Ruawai (0.3%), Kaiwaka (2.8%) and Maungaturoto (2.1%) totalling just 150 persons; and
- continued low shares of district growth (14.5%) in the north and northwest, totalling 420 persons.

Projected population of territorial authority areas														
2013(base)-2043 update														
Territorial authority area ⁽¹⁾	Projection ⁽²⁾	Population at 30 June							Population change 2013-43	Population change 2018-28	Population change 2028-38	Percentage share of District growth 2013-43	Percentage share of District growth 2018-28	Percentage share of District growth 2028-38
		2013 ⁽³⁾	2018	2023	2028	2033	2038	2043	Number 2013-43					
Kaipara district	High	20,500	23,100	24,600	26,000	27,100	28,000	28,800	8,300	2900	2000			
High growth projections by CAU														
504400 Te Kopuru		510	540	560	580	590	610	620	110	40	30	1.3%	1.4%	1.5%
504501 Kaipara Coastal		3190	3370	3470	3560	3610	3610	3570	380	190	50	4.6%	6.6%	2.5%
504502 Maungaru		1820	1950	2050	2140	2220	2280	2310	490	190	140	5.9%	6.6%	7.0%
504600 Dargaville		4610	5020	5180	5330	5440	5500	5530	920	310	170	11.1%	10.7%	8.5%
504700 Maungaturoto		810	920	950	980	1000	1010	1030	220	60	30	2.7%	2.1%	1.5%
504800 Ruawai		470	490	490	500	510	530	540	70	10	30	0.8%	0.3%	1.5%
504900 Kaiwaka		640	700	740	780	830	860	900	260	80	80	3.1%	2.8%	4.0%
505010 Rehia-Oneriri		5840	6510	6980	7410	7770	8060	8310	2,470	900	650	29.8%	31.0%	32.5%
505021 Mangawhai		1430	2060	2400	2710	2990	3240	3460	2,030	650	530	24.5%	22.4%	26.5%
505022 Mangawhai Heads		1170	1670	1930	2180	2400	2580	2750	1,580	510	400	19.0%	17.6%	20.0%
615302 Inlet-Mangawhai Harbour		0	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
Mangawhai combined CAUs		2,415	2,600	3,730	4,330	4,890	5,390	5,820	3,610	1,160	930	43.5%	40.0%	46.5%

5 2018 economic overview of Kaipara district

Kaipara's economic expansion continued through winter 2018. Infometrics' provisional estimate of GDP showed growth of 2.9% over the September (2017) year. Although this growth rate was down from 4.8% a year ago, it was still above the 2.5% rate of growth experienced nationally over the past year. Traffic flows in Kaipara were up 5.2% in the September year.

Kaipara is currently experiencing rapid population growth. Population estimates from Statistics New Zealand show that Kaipara's population grew by 3.7% over the June 2018 year, following 2.8% growth the previous year. By comparison, population growth nationally has been 2.1% over each of the past two years.

This increase in population has pushed up demand for housing but there are some signs that housing market activity is moderating. House price growth has eased from 22% per annum to 15% per annum, while there were 33% fewer sales over the September year compared to the previous year. A key risk for Kaipara's housing market in 2018 will be a cooling Auckland market. Lower house prices in Auckland reduce the incentives for Aucklanders to search for housing in neighbouring districts around the fringes of the city.

However any downside risks to housing must be balanced against a buoyant business outlook. Non-residential building consents climbed 30% in the September year, while commercial vehicle registrations increased 33%.

Consumer spending is also growing strongly. Data from Marketview shows that electronic card spending on retail purchases was up 7.5% over the September year. Car registrations rose 15% to a record level.

Dairy prices have eased slightly over recent months, but remain ahead of last season. Using a farmgate milk price of \$6.50/kgms, the total dairy payout in the 2017/2018 season would equate to \$212 million, up from \$200 million in the season ended May when the price was \$6.12/kgms.

Other commodity prices have also risen over recent months. Global prices for horticulture products increased 2.6% in September month. Forestry prices remain solid, lifting 0.5% in September; their twelfth month of consecutive rises.

** Annual percentage change (latest quarter compared to a year earlier)*

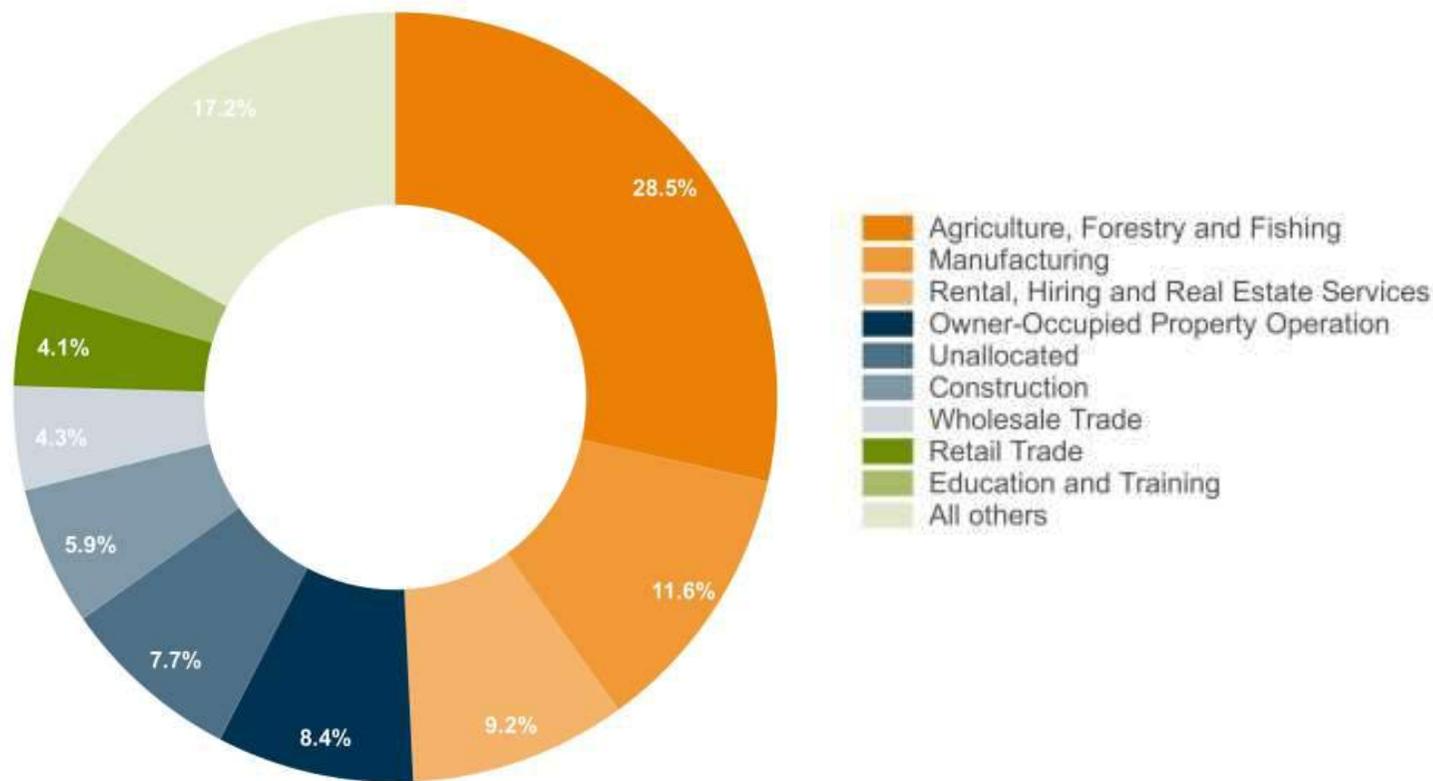
Indicator	Kaipara District	Northland Region	New Zealand
<i>Annual average % change</i>			
Gross domestic product	2.9%	3.2%	2.5%
Traffic flow	5.2%	4.8%	2.3%
Residential consents	-2.0%	15%	3.0%
Non-residential consents	30%	68%	5.9%
House prices*	15%	12%	3.1%
House sales	-33%	-19%	-17%
Guest nights	-9.9%	4.5%	2.6%
Retail trade	7.5%	6.5%	3.8%
Car registrations	15%	11%	9.4%
Commercial vehicle registrations	33%	21%	19%
Jobseeker Support recipients	0.5%	1.4%	0.6%
Tourism expenditure	12%	9.5%	6.4%
<i>Level</i>			

5.1 How fast has Kaipara district's economy grown?

This section measures economic performance in Kaipara district during the year to June 2017 and previous years. All GDP estimates are measured in constant 2010 prices.

- GDP in Kaipara district was up 2.7% for the year to September 2017. Growth was behind Northland at 3.3% and New Zealand at 3.6%;
- GDP was \$737 million in Kaipara district for the year to September 2017;

Figure 5: Share of total GDP (2017)



Which broad industries made the largest contribution to economic growth?

- Agriculture, forestry and fishing made the largest contribution to overall growth in Kaipara district between 2015 and 2017 with the industry growing by 4.0% over the year;
- The next largest contributor was manufacturing followed closely by construction.

In which industries does Kaipara district have a comparative advantage?

- The industries in which Kaipara district has the largest comparative advantages are dairy cattle farming (location quotient = 6.5), horticulture and fruit growing (6.3), and forestry and logging (5.4).

Which are the largest employing industries in Kaipara district?

- Among broad industries agriculture, forestry and fishing was the largest in Kaipara district in 2017 accounting for 29.3% of total;
- The second largest was manufacturing (10.9%) followed by construction (10.1%);
- Agriculture, forestry and fishing was the largest industry in Kaipara district in 2017 employing 2,527 persons and accounting for 29.3% of total employment in the district. By contrast this industry accounted for 6.2% of total employment in New Zealand; and
- The second largest employing industries were manufacturing followed by construction.

Which industries have created the most jobs?

- Agriculture, forestry and fishing made the largest contribution to employment growth in Kaipara district between 2015 and 2017 with the industry;
- The next largest contributor was administrative and support services followed by professional, scientific and technical services;
- The largest detractor from growth over the year was accommodation and food services in which employment declined;
- Vegetable growing (outdoors) was the largest creator of jobs in Kaipara district between 2015 and 2017;
- This was followed by labour supply services;
- Cafes and restaurants were the largest detractor of jobs in Kaipara district between 2015 and 2017; and
- This was followed by nursery production (outdoors).

(Source: Infometrics).

5.2 Assumptions

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

- Kaipara's economy will continue to remain securely founded on its primary industries supported by the manufacturing and building sectors; and
- Large-scale land use change is not anticipated in the district over the next 30 years, excepting that the east of the district is anticipated to experience an expansion in rural-residential living (lifestyle blocks).

5.3 Most likely scenario

Kaipara's economy will continue to remain securely founded on its primary industries, supported by the manufacturing and building sectors.

Large-scale land use patterns in the district are expected to remain the same over the next 30 years. An exception to this is the anticipated expansion of rural/residential, lifestyle block, living in eastern parts of the district.

The greatest current limitations on industry in Kaipara are limitations in transport networks and water supply, generation/security of electricity supply and digital infrastructure (ultra-fast broadband). Of these Council has direct responsibility for the local roading network (excludes State Highways) and water supply.

6 Summary of Financial Strategy

The Financial Strategy 2018/2028 remains a simple one. We will run a balanced budget. We will treat the district more equitably. We will have a sustainable plan.

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

- A balanced budget is maintained²;
- An unchanged rating structure;
- Operating expenditure is projected to be \$523 million and Capital expenditure is \$227 million for the 10 years to 2028. Funding of this expenditure is primarily through rates, user charges and NZTA subsidies;
- Rates will increase around 4.97% over the rates set in 2017/2018 to ensure that we deliver a sustainable and balanced budget for 2018/2019. The rates³ will move from approximately \$29.4 million in 2017/2018 to \$31.2 million for 2018/2019;
- Rates increases averaging approximately 3.42% per annum over the life of the Plan will generate sufficient income to manage ongoing renewals, make progress on catch-up renewals and begin funding reserves;
- Capital costs (reflecting the capital works and remaining debt) for each scheme will be combined with the operational costs, which are being allocated uniformly across all schemes to calculate the targeted rate payable in each community for wastewater. Stormwater and water operating costs are averaged across the district to which capital costs from each scheme are added;
- Lump sum contributions to fund the capital cost of the MCWWS system and reduce debt continue; projected income from development contributions will fund expenditure required to meet growth;
- Debt requirements⁴ is projected to trend downwards to \$38.7 million by 2027/2028 at the end of the 10 years covered by the Plan.

² i.e. operational revenue funds operational expenses (before depreciation) except for a portion of interest attributable to future development. In addition, desludging costs for cleaning out wastewater ponds are loan funded rather than rates funded to avoid spikes in rates.

³ Excluding rates for water and penalties.

⁴ Projected debt plus increasing capacity to fund reserve expenditure.

Council has allocated \$20.05 million, of which the significant majority will be funded by development contributions, over the next 10 years to upgrade and extend the MCWWS. This is part of a 27 year, \$35 million programme to extend the overall connectable area of the MCWWS funded through debt and mostly recoverable from Development Contributions. Council is working under the assumption that growth will continue at Mangawhai.

There is a risk that there could be a significant downturn in growth (generally aligned with a downturn in the economy) resulting in Council being exposed to higher debt as a result of extending the scheme, and with little or no income from Development Contributions. The investment is staged and therefore provides Council the flexibility to manage this risk by deferring expenditure at any stage if required in the event of a significant reduction in growth.

7 The Provision of Roads and Footpaths

7.1 Overview

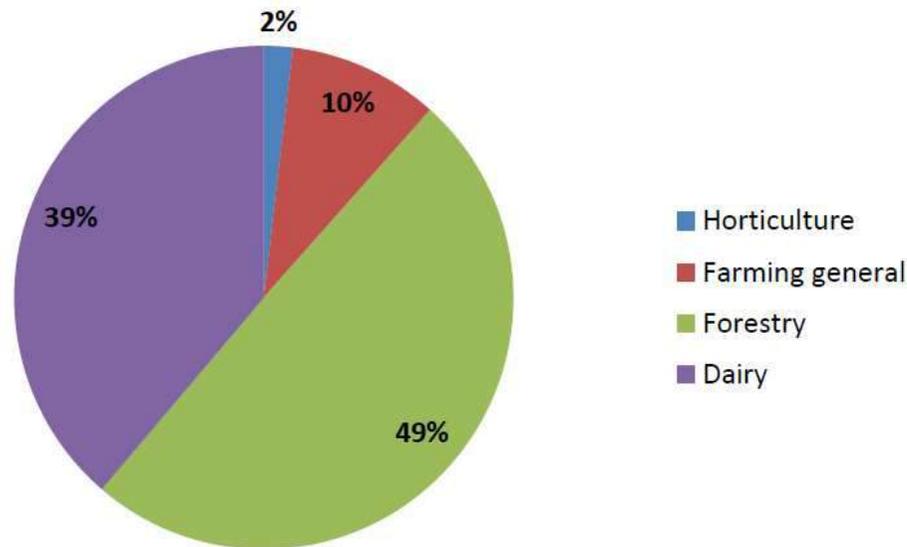
The 2018 Government Policy Statement on Land Transport (GPS) has three objectives for the country's roads: *economic growth and productivity, road safety and value for money*. The new Government is likely to change some of the priorities within the draft 2018 GPS. However, it is likely that the three strategic themes will remain. These GPS strategic priorities are at the heart of the Infrastructure Strategy as they align with Kaipara's own priorities. To align with these objectives KDC aims to manage its roading network to ensure people and goods can move safely and efficiently around the district by a variety of means. The NZTA has introduced a new one network road classification (ONRC) system that is intended to become the funding mechanism base to ensure that funding is equitably distributed across New Zealand mainly based on traffic volumes and usage.

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

- small population, sometimes isolated, rural nature of much of the district;
- high percentage of access and access low volume roads (79% or 1,247km);
- difficult topography and unstable geology combined with regular high intensity rainfall events;
- scarcity and high costs of roading materials, typically aggregates; and
- locally sourced aggregates are less durable than elsewhere in the country.

The total weight of freight generated in Kaipara district is estimated at 1.04 million tonnes per annum (Source: Morrison Low Roading Differentials Report May 2012).

The following figure shows how the different industries in Kaipara contribute to this total.



(Source: Morrison Low Roading differentials report May 2012)

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

Forestry harvesting volumes over the next 25 years are expected to be 75% above the 2010 planted forest areas in Northland. Most of the new plantings will not be ready for harvest until 2035 onward, so the more major effects on the roading network for the increased truck movements will not start to be realised until 2035. In the shorter term the harvest volumes are set to increase over the next few years ideally catered for by strengthening of approximately 90km of Kaipara's roading network (2km of sealed and 88km of unsealed). Any strengthening work would be in addition to Council's normally managed programme. The forecast budgets have allowed for the additional works required to be undertaken as a result of the increased truck movements. A forestry targeted rate is levied to fund these additional works but does not include an allowance for any dust suppression.

7.2 Assets, their age, condition and maintenance

The Kaipara district has a large roading network spanning 1,573km. Of this network, 28% (448km) are sealed and 72% (1,125km) are unsealed. This roading infrastructure includes 348 bridges, 1,184 streetlights, 91km of footpaths and more than 6,600 road traffic signs.

- In the last seven years Council has significantly strengthened unsealed and sealed pavements – more is needed;
- Roads formed in 1960s and before are of low quality and where they now experience increases in traffic levels (especially heavy vehicles) are in need of rehabilitation and sometimes reconstruction especially in regard to pavement depth;
- Some bridge approaches would be more cost-effective if sealed rather than continued maintenance;
- Kaipara has difficult geology and climate. Rolling hills, patches of Onerahi Chaos and variable densities of clay, with heavy rainfall events and contrasting droughts, causes unpredictable subsidence and slumping;
- Changes in traffic volumes have occurred and will continue with more heavy vehicles, heavier heavy vehicles, and more commuters; and
- Forestry harvesting is expected to impact on roads in the district in the next 25 years. These roads represent both sealed and unsealed roads on the network.

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

- available budgets;
- traffic volumes and use;
- asset condition rating and surveys;
- treatment selection analysis and validation, including skid resistance;
- engineering and Contractor inspections and customer feedback;
- historical achievement records;
- falling weight deflectometer testing and selected test pit analysis for assessing bearing capacity; and
- NZTA standards that affect funding criteria.

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

The total projected budget expenditure on roading for 2018/2048 is \$1.1 billion. Of this, \$571 million is operating (maintenance) and \$507 million is capital (renewal, improving the level of service, and growth). \$49 million is included in the budget for sealed road pavement rehabilitation between 2018 and 2048. This involves modifying the pavement to restore its life by adding new aggregate and strengthening with lime or cement, then re-sealing. Forestry targeted rates of \$397,800 per year are included to enable Council to deal with the impact of forestry and logging trucks on roads.

7.2.1 Unsealed roads

Kaipara has over 1,125km of unsealed roads; 72% of the network. Council has limited ability to extend seal and therefore unsealed roads will continue to be the norm for the foreseeable future. The condition of the unsealed network is mixed. For delivering planned service levels, the age of the road is not particularly relevant. Other factors are of more importance including depth and quality of the basecourse and effectiveness of drainage facilities. The cost of maintaining unsealed roads (\$2,120/km) is on average 60% of the cost of maintaining sealed roads (\$3,500/km).

With the implementation of the new maintenance and renewals contract (2018/2019 financial year), the maintenance of the network will be based on value for money over the whole life of the asset. This is a change in philosophy for managing the unsealed network, in keeping with the ONRC levels and being more pro-active in priority decision-making.

The levels of service Council delivers for unsealed roads is the biggest area of complaint and concern for the people of Kaipara. The major challenges we deal with are:

- Carriageway width – 520km or 46% of unsealed roads are under the standard for width for their traffic volumes;
- Crossfall (camber) – there is a need to provide sufficient crossfall (6-8%) to allow drainage of the road surface. The level of corrugations on roads, caused by loss of fine clay particles that bind the basecourse, and the flattening of the road from traffic overtime, compromise crossfall. Regular grading and heavy metalling corrects this where there is sufficient aggregate available. Currently, crossfalls are typically 4-5% i.e. substandard;
- Forestry roads – many forestry plantations are serviced by unsealed roads with narrow widths and thin pavements. During harvesting when there are high volumes of heavy vehicles, the damage caused can be so high complete reconstruction of the route is required;
- Urbanisation of rural land – with the increase of residential and lifestyle subdivisions, this is accompanied by a demand to seal associated roads because of dust nuisance. Council collects development contributions and financial contributions for this purpose to seal roads with higher traffic flows. There is unlikely to be any NZTA subsidy funding available for seal extensions. Over the next three to four years, it is expected that sufficient contributions from developers will be collected to extend the seal on sections of prioritised roads in Mangawhai and surrounds.

- Pavement depths – the unsealed network has varied and often marginal pavement depth. This makes them vulnerable to damage from heavy vehicles and heavy rain. In recent years, a focus has been on pavement rehabilitation. This programme will continue. It will not address the forestry traffic increases expected for the next six years. Gravel loss remains higher than replenishment levels and Council is looking to implement maintenance techniques that reduce gravel loss and an increased gravel replacement programme (heavy metalling). This will also start to address the backlog but will take many years to catch up.

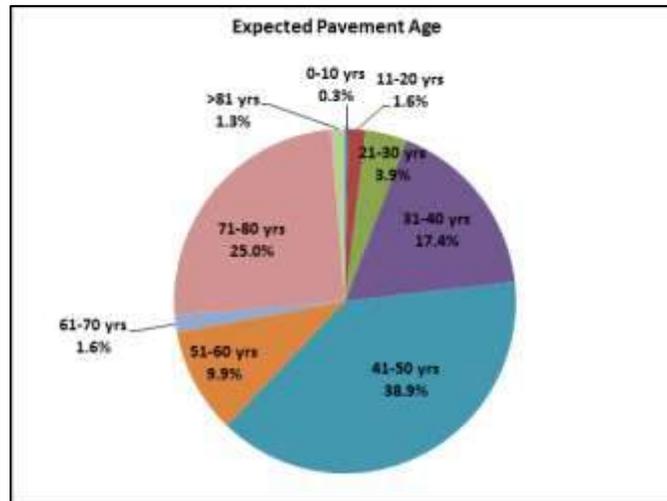
Council has an unsealed roads strategy that directs work to:

- Investigate practical ways of reducing metal loss e.g.
 - use alternate practices to stabilise and compact metal such as the use of rollers; and
 - trial alternate products;
- Work with forestry to programme harvesting during the dry season (late summer) as road damage is far less when the road is dry (although dry conditions increases dust nuisance);
- Use best performing and lowest cost soil-aggregate mixture;
- Increase knowledge of depth, make-up and strength characteristics of high volume roads throughout the network;
- Develop knowledge of the availability and characteristics of different materials from quarries within the district and maintain this in a register;
- Increase knowledge of road performance, especially *actual* metal loss prioritising forestry routes;
- Improve stormwater management:
 - maintain crossfall at 6-8%;
 - improve drainage facilities to contain water below road surface, and effectively drain the sub-base; and
 - keep culverts clear at all times.
- Improve the management of roadside vegetation to:
 - maintain good visibility;
 - keep drainage facilities clear; and
 - prevent pavement damage from roots.
- Have a programme for managing forestry impacts:
 - collect \$397,800 per year (to be adjusted annually for escalation) funding from Forestry properties for strengthening forestry-impacted roads, and possibly dust suppression in the latter years.

7.2.2 Sealed roads

There is currently a total of 448km of sealed network. Most of this (99%) is surfaced in chip seal with the remaining surfacing being asphaltic concrete and concrete. It consists of two components: the pavement layers and the surfacing. This asset carries the bulk of the heavy vehicle volume. It is an all-weather surface and not as sensitive to loading issues. Traffic travels at higher speeds on a sealed road so safety concerns are of increased interest. The lifecycle of seal surfaces varies from 14 years for a two-coat seal with lighter volumes, to two years for a single chip first seal coat on high volume roads, with an average across Kaipara's network of 11 years. The programme of reseals is currently a life of 16 years with 60km programmed to be completed each year over the next three years, and then back to 30km per year. This doubling of the reseal programme reduces the cost for more expensive repairs. The backlog will be addressed by 2021.

Pavement age of the network



Recent analysis of pavement data after completion of the forward works programme has suggested pavements are achieving average lives of around 50 years. Adopting an average pavement age of 50 years and applying this to the KDC sealed road network requires 4km or 0.8% of sealed roads to be renewed annually.

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

- smoothness by distance travelled;
- pavement integrity weaknesses from faults, rutting and shoving; and
- condition assessment of faults, cracking, ravelling, potholes and patches, flushing.

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

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

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

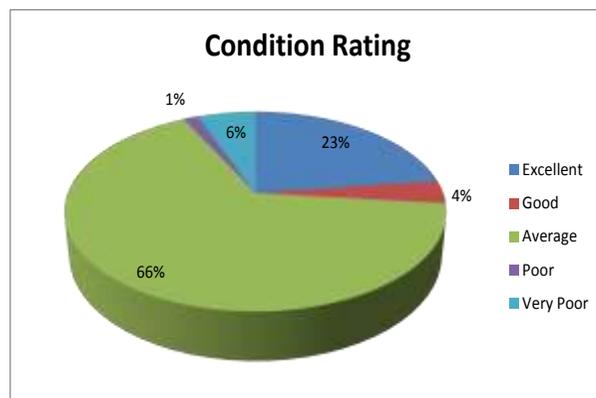
Resilience – there are no additional criteria used by NZTA to provide greater road resilience of key routes. The use of Kaipara roads as detours for the State Highways causes wear and tear over and above normal use. No additional NZTA subsidies are available to strengthen these roads to stop the damage from use as detours.

Bridges, culverts and structures

There are 348 bridges (over 3.4m of waterway) and bridge culverts (under 3.4m of waterway) in Kaipara. Most of these are short structures. Over time, many of these will be replaced by culverts, depending on water flow data. Climate change also needs to be taken into account given the long intended life of these assets (the design life is 100 years). Earlier bridges were constructed out of material that means they have shorter lives. Pre-1940 structures will be replaced over the next 10-15 years. Culverts are younger with a greater remaining useful life.

There are five bridges with weight restrictions. None of these are in high volume roads. 20% of bridges are inspected each year. The latest condition rating categorised the majority of bridges and culverts in average to good condition.

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



Due to the increased pressure on drainage systems due to adverse weather events, we will progressively increase the minimum sizes of our culverts to be 450mm diameter. This will allow for easier through flow and reduce ponding and saturation of the pavement layers.

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

A budget of \$19.6 million is included for this bridge replacement work. This is in addition to \$7.5 million for maintenance and \$22.5 million for renewals.

7.2.3 Drainage facilities

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

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

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

There is \$19.5 million budgeted for routine drainage maintenance and \$12.2 million for renewals.

7.2.4 Guardrails and sight rails

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

7.2.5 Streetlighting

Council owns 1,184 road-related streetlights. Streetlight fittings have a standard life of 15 years and most streetlight poles have a life of 40 years. All maintenance is response maintenance. The future initiative is to continue with the LED replacement of all of the current luminaries. This is an initiative that is supported by NZTA at

a higher than normal FAR (85%) and the aim is to have this completed by the end of 2018 and then reap the benefits of less power consumption costs, as well as associated reduced streetlight maintenance costs.

7.2.6 Signs and roadmarking, raised pavement markers and edge marker posts

There are:

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

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

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

7.2.7 Vegetation control

The vegetation standard is no lower than 4.5m above the road surface and no closer than 1.5m from the pavement edge. Weed spraying, trimming and mowing is required to meet this standard in current contracts.

7.2.8 Carparks and service lanes

There are 14 carparks (total area of 21,098m²) and 23 service lanes (7.55km) in Kaipara. Condition assessment and renewals are planned alongside the sealed network.

7.2.9 Retaining walls

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

7.2.10 Footpaths and walkways

There are about 91km of footpaths in the district. Most are in the township of Dargaville (44km) with an increasing length in Mangawhai (22km). Condition rating is done every five years. Renewals are therefore planned for five year blocks, where only those rated “poor” or “very poor” are addressed. A new condition rating is needed to confirm the next five year programme. Most new footpaths are developed as part of new subdivisions with an average length of 1.5km a year.

NZTA subsidies are not available for footpaths. Council includes an allowance of \$2.5 million to extend footpaths and \$6.6 million for maintenance and renewals.

7.3 Issues

Our roading network was built in times of considerably lower traffic volumes and lighter commercial vehicles. Increasing repairs are needed as vehicle volumes increase and heavy vehicles get heavier. The cost of many of the materials needed to repair, maintain or improve roads, (like bitumen), have increased by 150% (Source: NZTA Bitumen Cost Adjustment Series) over the last 10 years; so affordability is a key issue, to maintain or increase the standard of our roads. Dust levels on unsealed roads in summer is exacerbated by intense logging truck activity. NZTA will pay 61% of the costs for road repairs and upgrades in Kaipara, through the NZTA Funding Assistance Rates (FARs) if the requests have been approved by NZTA and the development of business cases for the additional requests have been made.

The state of the national State Highway network combined with the increased incidence of intense rainfall weather systems and accidents, adversely impacts the Council roads by forcing the diversion of State Highway traffic volumes onto the Council network. As Council roads are not designed to deal with the extra traffic, the lifespan of the roads is lessened and more maintenance is needed, which has cost implications for Council.

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

Road width data taken from RAMM (NZTA Road Assessment and Maintenance Management Manual) shows there are deficiencies where the carriageway width does not meet the desired width in Kaipara’s Engineering Standards. The width deficiencies are triggered by increased traffic volumes and truck sizes.

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

7.4 Implications

Roading is funded by the following; general rate, NZTA subsidies, targeted rates, and development and financial contributions (paid when land is subdivided or developed) that help pay for growth in road capacity.

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

The latest funding application to NZTA (for the 2018/2021 period) is requesting additional funding with the appropriate evidence, however this is only a request at this point in time and approval is still to be obtained by mid-2018.

7.5 Risk and hazard management

The biggest risk to roads is flooding events and other impacts from heavy rain. Secondly, there is the risk of asset failure typically from ground conditions (slips and slumps) and asset condition (bridges mainly). There is a dedicated budget of \$28.5 million for preventative works so that these events do not cause as much damage. However, it is often this budget that is used for dealing with the consequences of such events. For anything over and above this amount, addressing the damage from unplanned events can mean deferring other maintenance and renewal work. Addressing failures because of asset condition is being addressed by improved knowledge of our assets and surrounding conditions with better targeted maintenance and renewals.

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

7.6 Options

Option 1 – status quo

To manage Kaipara's road network:

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

To manage road width deficiencies triggered by increased traffic volumes:

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

To manage low volume roads:

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

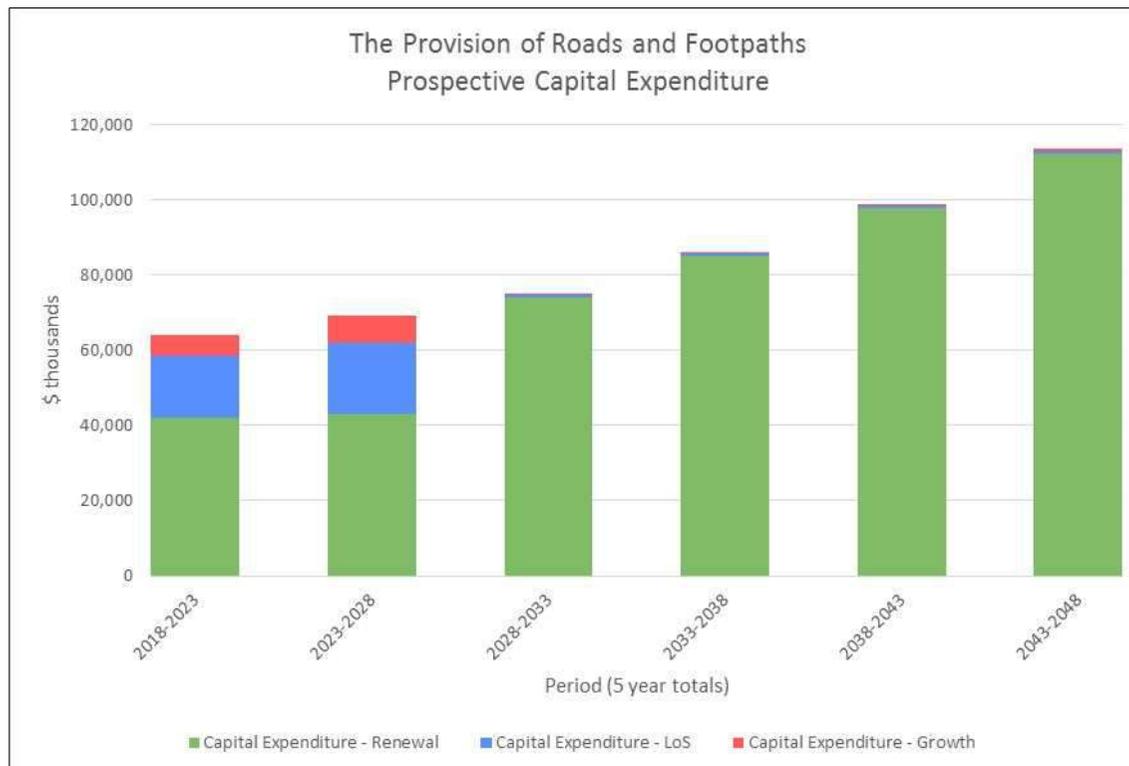
Option 2 – status quo plus strengthening roads used by a high volume of logging trucks

To manage the impact of forestry on the roading network:

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

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

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



Prospective Infrastructure Strategy Costs - The Provision of Roads and Footpaths - adjusted for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
30 June	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2018-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2023-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenditure												
<i>Total operating expenditure</i>	12,318	12,907	13,222	13,462	13,802	65,712	14,160	14,526	14,929	15,343	15,817	74,775
Capital expenditure												
Capital Expenditure - Growth	2,274	201	309	1,304	1,329	5,417	1,358	1,401	1,428	1,467	1,518	7,173
Capital Expenditure - LoS	2,930	3,282	3,669	3,470	3,162	16,513	3,581	3,683	3,765	3,867	3,990	18,886
Capital Expenditure - Renewal	8,343	8,245	9,149	8,076	8,198	42,010	8,226	8,392	8,592	8,824	9,091	43,127
<i>Total capital expenditure</i>	13,547	11,727	13,126	12,850	12,690	63,940	13,165	13,477	13,786	14,159	14,598	69,186
Total expenditure	25,865	24,634	26,349	26,311	26,492	129,652	27,325	28,004	28,715	29,501	30,416	143,961

For the year ended:	Total Budget						
30 June	2018-2023	2023-2028	2028-2033	2033-2038	2038-2043	2043-2048	2018-2048
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenditure							
<i>Total operating expenditure</i>	65,712	74,775	86,669	99,331	113,831	130,658	570,976
Capital expenditure							
Capital Expenditure - Growth	5,417	7,173	278	319	366	420	13,972
Capital Expenditure - LoS	16,513	18,886	524	602	691	794	38,011
Capital Expenditure - Renewal	42,010	43,127	74,192	85,177	97,788	112,267	454,560
<i>Total capital expenditure</i>	63,940	69,186	74,994	86,097	98,845	113,480	506,542
Total expenditure	129,652	143,961	161,663	185,429	212,676	244,138	1,077,518

Prospective Infrastructure Strategy Costs - The Provision of Roads and Footpaths - excluding adjustment for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
	2018-2019 \$'000	2019-2020 \$'000	2020-2021 \$'000	2021-2022 \$'000	2022-2023 \$'000	2018-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000	2026-2027 \$'000	2027-2028 \$'000	2023-2028 \$'000
30 June												
Operating expenditure												
<i>Total operating expenditure</i>	12,318	12,640	12,670	12,616	12,642	62,885	12,665	12,679	12,702	12,715	12,750	63,511
Capital expenditure												
Capital Expenditure - Growth	2,274	196	296	1,220	1,215	5,201	1,212	1,220	1,212	1,212	1,220	6,077
Capital Expenditure - LoS	2,930	3,211	3,513	3,247	2,890	15,792	3,196	3,207	3,196	3,196	3,207	16,002
Capital Expenditure - Renewal	8,343	8,067	8,759	7,558	7,493	40,220	7,342	7,308	7,292	7,292	7,308	36,543
<i>Total capital expenditure</i>	13,547	11,475	12,567	12,026	11,598	61,213	11,750	11,735	11,700	11,700	11,735	58,622
Total expenditure	25,865	24,114	25,237	24,642	24,239	124,098	24,416	24,414	24,402	24,416	24,485	122,133

For the year ended:	Total Budget						
	2018-2023 \$'000	2023-2028 \$'000	2028-2033 \$'000	2033-2038 \$'000	2038-2043 \$'000	2043-2048 \$'000	2018-2048 \$'000
30 June							
Operating expenditure							
<i>Total operating expenditure</i>	62,885	63,511	64,212	64,017	63,791	63,645	382,061
Capital expenditure							
Capital Expenditure - Growth	5,201	6,077	205	205	205	205	12,100
Capital Expenditure - LoS	15,792	16,002	388	388	388	388	33,344
Capital Expenditure - Renewal	40,220	36,543	54,857	54,857	54,857	54,857	296,191
<i>Total capital expenditure</i>	61,213	58,622	55,450	55,450	55,450	55,450	341,634
Total expenditure	124,098	122,133	119,662	119,467	119,241	119,095	723,696

7.7 Most likely scenario

Option 2 is the preferred option. Roads will be maintained as affordable within the proposed budget levels plus a targeted rate on forestry properties. This will mean that Council will not respond to customer demands for increased levels of service, and those acting as detours when State Highways are closed may deteriorate. There is only minor funding available for improvements in service levels. The improvements in service levels will be driven by availability of funding from a mixture of NZTA, development and financial contributions and the general rate. No rates or NZTA funding are available for seal extensions in the medium term future.

Council will prevent the anticipated damage to roads used for forestry traffic from harvesting in the years 2018 to 2021 by rating \$1.17 million from setting a targeted rate on exotic forestry properties. Council will continue with the forestry target rate beyond 2021 to strengthen the pavements on forestry routes. Any balance of funds available after 2021 will be used for dust suppression.

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

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

7.7.1 Road widening projects

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

Sealed roads have been identified for sections of widening because they do not meet the standard width requirement causing safety concerns or potential increased traffic volume from new developments.

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

7.7.2 Road strengthening

There are road strengthening projects in the programme, for the sealed network it is part of the rehabilitation projects, and for the unsealed roads the strengthening will be done as part of the heavy metalling programme.

7.7.3 Seal extensions

NZTA subsidy for seal extensions are generally no longer available, however the greater Mangawhai area is identified as a growing area that has a number of roads requiring upgrading to meet demand created from development. To assist with road improvements Council will fund seal extensions through a number of funding avenues triggered by development and financial contributions attributed to a specific development. The funding of seal extensions will be done from year 4 onwards, but no seal extensions are proposed for the first three years. Also Council, where justified, will strengthen unsealed road sections in anticipation of sealing the road and may improve safety aspects using minor works subsidised allocations to meet demand.

Roading improvements are funded from subsidies received from the NZTA, development and financial contributions paid by developers and rates.

7.7.4 Bridges

In the next five years a number of bridges will be replaced, as well as bridge strengthening and new culverts constructed. This programme will be updated as condition investigations are completed.

7.7.5 NZTA One Network Road Classification (ONRC)

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

The ONRC consists of:

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

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

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

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

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

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

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

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

7.8 Customer Levels of Service

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

Service levels cover four categories/outcomes:

- mobility (travel time, resilience, optimal speeds);
- safety;
- amenity; and
- accessibility.

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

For roads within Kaipara this means (in summary):

	Mobility – travel times	Mobility - resilience	Mobility – optimal speed	Safety	Amenity	Accessibility
Arterial	Users experience consistent travel times except during holidays, major events, weather events.	The route or a viable alternative is always available except in emergencies. Priority restoration and users advised.	Higher speeds except where risks exist e.g. intersections, schools, high volumes, shops etcetera.	Variable road standards – safety guidance provided to users.	Good level of comfort, tolerance of some roughness. Contribute to local character and land use (urban or rural).	Some land use access restrictions tolerated. Higher classified roads have priority. Good quality information available to users.
Primary collector	Generally consistent travel times except where affected by weather or other road users.	Route nearly always available except in weather events or emergencies. Alternate routes usually available. Moderate priority to clear incidents.	Travel speed depends on risk, mixed use, adjacent land use.	Variable road standards and alignments. Lower speeds and user vigilance required. Some safety guidance may be available to users.	Moderate levels of comfort, occasional areas of roughness. Roads contribute to local character and adjacent land use.	Some land use access restrictions tolerated. Higher classified roads have priority. Good quality information available to users.
Secondary Collector	Travel times may vary as a result of other road users, weather and road conditions.				Moderate level of comfort, more areas of roughness. Roads contribute to local character and adjacent land use.	Some land use access restrictions tolerated. Some condition variability. Higher classified roads have priority. Good quality information available to users.
Access	Varied travel times affected by other users, weather and road conditions.	Route may not be available at all times. Alternates may not exist. Lower priority for clearance of incidents.	Travel times depend on risk. Recognition of road use for access to schools, shops etcetera.	Variable road standards and alignment. Driver vigilance required.	Low levels of comfort, extended areas of roughness. Conditions reflect adjacent land use and function.	Access to all adjacent properties Users should expect variability. Higher classified roads have priority.
Access (low volume)		Route may not be available in some weather. Alternatives may not exist. Lowest priority for clearance.				

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

7.9 Impact on rates

Funding for Roads and Footpaths comes from the:

- general rate; this activity accounts for around 42% of rates revenue;
- NZTA subsidy at 61%; and
- 'Forestry Roding Rate' imposed on exotic forestry properties based on land value levies \$397,800 (to be adjusted annually for inflation) per year.

8 Flood Protection and Control Works

8.1 Overview

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

Flood protection work in Kaipara district is split into two separate categories of responsibility; rural and urban flood protection. Rural flood protection is largely concentrated in the Raupo Drainage District; the area of the Ruawai flats adjacent to the Northern Wairoa River. This very fertile area makes a substantial economic contribution, primarily dairy farming and kumara growing. The main function of this type of flood protection is "Land Drainage" and is to ensure that for the majority of the year the land is kept drained and able to be used in an efficient and effective manner for the production of dairy, kumara etcetera. The Ruawai village stormwater controls are in an 'Urban' setting but are managed under the Raupo Drainage District.

Urban flood protection is currently concentrated around the township of Dargaville; this includes stopbanks and floodgates. Flood protection for Dargaville is currently included in the stormwater activity and though this activity is currently centred around Dargaville, with the adoption of the NRC Coastal Hazard Maps and the finalisation of the regional policy, more investigation will be required to identify any other low-lying areas within the district that will be affected in the future and what the councils responsibilities will be in these instances.

8.2 Assets, their age, condition and maintenance

There is the Raupo District Drainage Scheme (Raupo) and 29 other defined 'land drainage' area schemes although Raupo currently accounts for the majority of the total expenditure. Raupo is managed by a standing committee of KDC. Construction of the flood protection infrastructure began in the early 1900s and was paid for by landowners and grants from the central government of the time that had an interest in promoting the reclaiming of arable land.

The size range of these defined areas varies from small and what is considered non-active, such as Sunnynook with 840m of drains and stopbanks with one floodgate, to the largest, Raupo with 69km of drains and stopbanks and 52 floodgates.

Raupo meets quarterly to discuss maintenance and any other issues within the system, whereas the smaller districts meet once or twice yearly to determine the amount of maintenance needed within their district.

Asset profile:				
Northern Area Land Drainage Assets by Asset Type as at 13 July 2016				
Asset Type	Replacement Cost (\$)	Depreciated Replacement Cost (\$)	Accumulated Depreciation (\$)	Annual Depreciation (\$)
Drains	\$4,319,879	\$4,319,879	\$0	\$0
Floodgates	\$1,797,622	\$711,075	\$1,086,546	\$31,825
Total 2016	\$6,117,500	\$5,030,954	\$1,086,546	\$31,825
Raupo Land Drainage Assets by Asset Type as at 13 July 2016				
Community	Replacement Cost (\$)	Depreciated Replacement Cost (\$)	Accumulated Depreciation (\$)	Annual Depreciation (\$)
Wharf Road buildings	\$245,220	\$85,863	\$159,356	\$2,452
Jellicoe Depot	\$36,106	\$8,665	\$27,441	\$361
Drains	\$4,346,256	\$4,346,256	\$0	\$0
Stopbanks	\$2,697,952	\$2,697,952	\$0	\$0
Rip rap	\$523,715	\$57,609	\$466,107	\$5,237
Floodgates	\$6,018,741	\$1,449,879	\$4,568,861	\$116,902
Wallace Road pump station	\$349,329	\$108,312	\$241,017	\$5,356
Boundary gates	\$35,042	\$6,308	\$28,734	\$701
Total 2016	\$14,252,361	\$8,760,845	\$5,491,516	\$131,010

8.3 Risk and hazard management

Risk and hazard management is managed by operational staff with a working knowledge of each system, and also relies heavily on the local farmers and residents within each district who maintain constant vigilance over the drainage assets and update the status of the assets to Council representatives as required. Their working knowledge includes where any pressure points are in weather events and which areas are likely to be at risk, how often and when the best time to complete planned maintenance will be, and how to most effectively complete the work.

Impairment testing is also carried out on major asset components including flood protection. The purpose of testing is to identify any significant change in the performance or condition of the assets from when they were last investigated, in some cases this may be the date of installation. Investigation of the flood protection assets first occurred in 2014, and has been done yearly since then; to date the flood protection investigations have identified several gates which have required immediate replacement and some which need varying degrees of attention.

Ongoing investigations will need to be undertaken for all drainage districts, to update Council-held records on basic information such as condition and age, and more in depth information surrounding height in relation to sea level, and capacity. In conjunction with NRC it is noted that there will be an impact from climate change and sea level rise which in turn will have an impact on the current flood protection measures. It is yet to be determined what the impact will be or how we will formulate an appropriate response to these measures and implement them for the future.

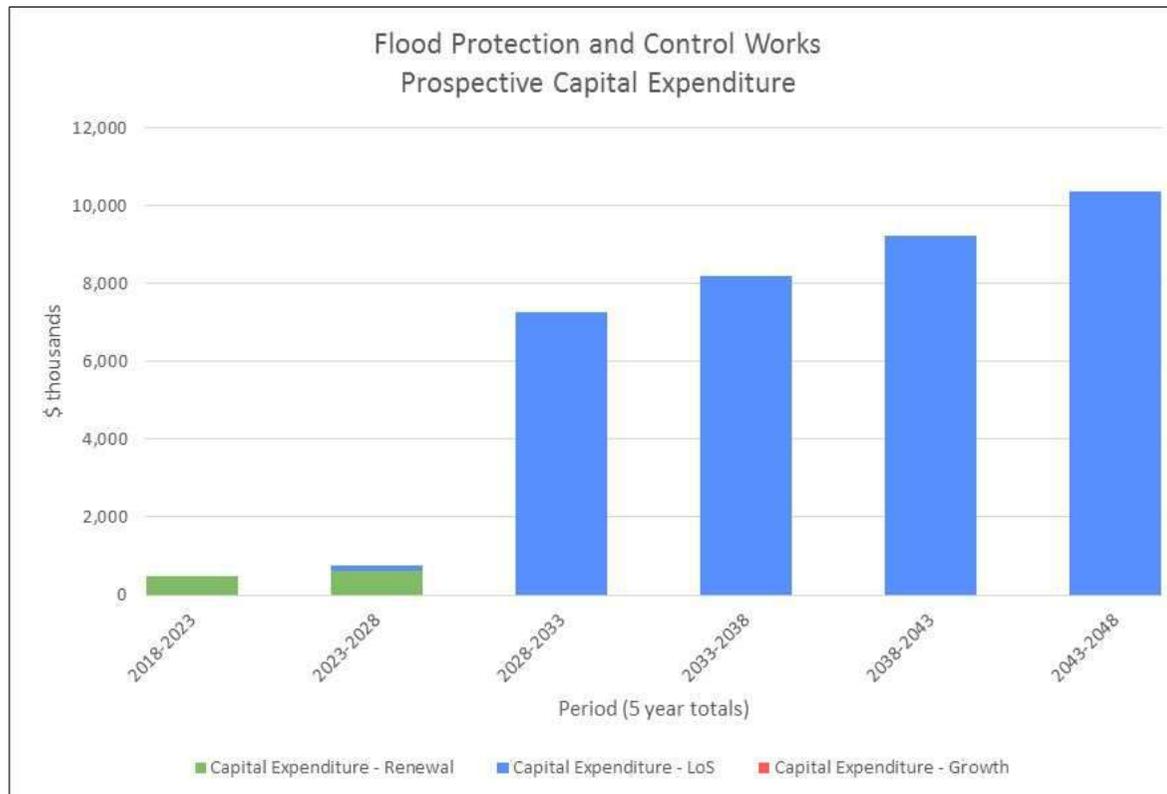
8.4 Issues, options and implications

Climate change will mean more flooding from extreme weather events and sea level rise, leading to higher water levels in rivers, the harbour and other waterways. The impact of this occurrence will reinforce the importance of the renewal/improvement programme. The stopbank heights are being raised in part using the dredged material as it is removed. There are also sections being widened and strengthened in preparation for being raised, as any permanent stopbank structure needs to meet specific design and testing requirements. This is both a financially prudent way of disposal of the material and in response to the need to prepare for higher future flood levels. Council estimates of what will be spent on flood control from 2018 to 2048 can be viewed in the attached tables, showing operational (maintenance) spending, and some renewal work. As more investigations are completed on the current systems, and taking into account the NRC's recently released Coastal Hazard Maps for Northland that include areas of current risk as well as other areas which could be at future risk over a 100 year time frame as a result of predicted sea level rise, this may change.

Council's budgeted spend on floodgate replacement in the next 30 years (this assumes that one floodgate will be replaced every three years; floodgates cost between \$25,000 and \$100,000 depending on size) can be viewed in the attached tables. Council's budgeted spend on stopbanks (this assumes that annual programmed work will continue at \$40,000 per year) to increase stopbank levels within the Raupo Drainage District over the next 30 years, can also be viewed below.

Flood control infrastructure is funded by a targeted rate on Dargaville and Ruawai properties, the people that can use and benefit from the service pay for it, rather than the whole district, though as the need for bigger and better flood protection measures are realised this may need to a 'general rate' that will be spread across the entire district as the smaller areas may not be able to cover the required expenditure by themselves.

One possible alternative option is the transfer of responsibility for this activity to NRC, though this has never been formally investigated nor an actual proposal tabled for review and discussion.



Prospective Infrastructure Strategy Costs - Flood Protection and Control Works - adjusted for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
	2018-2019 \$'000	2019-2020 \$'000	2020-2021 \$'000	2021-2022 \$'000	2022-2023 \$'000	2018-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000	2026-2027 \$'000	2027-2028 \$'000	2023-2028 \$'000
30 June												
Operating expenditure												
<i>Total operating expenditure</i>	559	571	535	548	585	2,798	555	586	616	631	676	3,064
Capital expenditure												
Capital Expenditure - Growth	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - LoS	0	0	0	0	0	0	0	0	0	0	127	127
Capital Expenditure - Renewal	159	133	58	53	98	501	101	103	202	108	111	625
<i>Total capital expenditure</i>	159	133	58	53	98	501	101	103	202	108	238	752
Total expenditure	717	704	592	602	683	3,299	656	689	817	739	914	3,816

For the year ended:	Total Budget						
	2018-2023 \$'000	2023-2028 \$'000	2028-2033 \$'000	2033-2038 \$'000	2038-2043 \$'000	2043-2048 \$'000	2018-2048 \$'000
30 June							
Operating expenditure							
<i>Total operating expenditure</i>	2,798	3,064	5,423	7,755	11,606	13,952	44,598
Capital expenditure							
Capital Expenditure - Growth	0	0	0	0	0	0	0
Capital Expenditure - LoS	0	127	7,272	8,188	9,218	10,379	35,185
Capital Expenditure - Renewal	501	625	0	0	0	0	1,126
<i>Total capital expenditure</i>	501	752	7,272	8,188	9,218	10,379	36,310
Total expenditure	3,299	3,816	12,695	15,943	20,824	24,332	80,909

Prospective Infrastructure Strategy Costs - Flood Protection and Control Works - excluding adjustment for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
	2018-2019 \$'000	2019-2020 \$'000	2020-2021 \$'000	2021-2022 \$'000	2022-2023 \$'000	2018-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000	2026-2027 \$'000	2027-2028 \$'000	2023-2028 \$'000
30 June												
Operating expenditure												
<i>Total operating expenditure</i>	559	556	508	509	529	2,661	489	502	513	510	531	2,545
Capital expenditure												
Capital Expenditure - Growth	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - LoS	0	0	0	0	0	0	0	0	0	0	104	104
Capital Expenditure - Renewal	159	130	55	50	90	484	90	90	172	90	90	532
<i>Total capital expenditure</i>	159	130	55	50	90	484	90	90	172	90	194	636
Total expenditure	717	686	563	559	619	3,144	579	592	685	600	724	3,181

For the year ended:	Total Budget						
	2018-2023 \$'000	2023-2028 \$'000	2028-2033 \$'000	2033-2038 \$'000	2038-2043 \$'000	2043-2048 \$'000	2018-2048 \$'000
30 June							
Operating expenditure							
<i>Total operating expenditure</i>	2,661	2,545	3,873	4,815	6,249	6,527	26,670
Capital expenditure							
Capital Expenditure - Growth	0	0	0	0	0	0	0
Capital Expenditure - LoS	0	104	5,500	5,500	5,500	5,500	22,104
Capital Expenditure - Renewal	484	532	0	0	0	0	1,016
<i>Total capital expenditure</i>	484	636	5,500	5,500	5,500	5,500	23,119
Total expenditure	3,144	3,181	9,373	10,315	11,749	12,027	49,789

8.5 Most likely scenario

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

Projected operating expenditure for the years 2018 to 2048 is outlined in the above table.

The capital expenditure as identified above will continue to be directed by onsite condition assessments of the assets and as an agreed upon response to the changing environment.

NRC is undertaking a Northland catchment mapping and modelling exercise, making extensive use of LiDAR (Light Detection and Ranging - remote sensing technology used to make high resolution maps). The impending outcome of this exercise will influence Kaipara's flood protection and control works management.

8.6 Impact on rates

The impact on rates is dependent on decisions made by the drainage groups themselves. The targeted rates are based on land value and vary every year between each drainage area, depending on the works programme agreed. There is one drainage district within Kaipara under the governance of NRC, that being Kaihu Valley Drainage District. The number of properties currently funding flood protection is 505 within Raupo and 1,389 within the other schemes, there are also 456 properties in Kaihu that pay to the NRC.

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

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

9 Stormwater Drainage

9.1 Overview

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

Stormwater systems are mainly funded by a targeted rate on properties in Dargaville/Baylys, Te Kopuru, Kaiwaka and Mangawhai, the Ruawai area is a targeted rate under the Raupo Land Drainage Scheme, with the remainder of Kaipara district paying 10% of the cost.

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

9.2 Assets, their age, condition and maintenance

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

Community	Pipeline Length (m)	Open Drain(m)
Baylys	3,989	10
Dargaville	35,638	34,671
Kaiwaka	1,646	262
Mangawhai	24,806	7,311
Te Kopuru	149	4,760
Grand Total	66,228	47,014

Notes

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

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

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

Condition and performance data relating to stormwater assets is not currently well-documented across the district. The asset register also needs improvement to remove errors and to update missing information to allow Council to more efficiently plan and programme repairs, renewals and upgrades due to under capacity. For example, 36% of pipe diameters are unknown and 52% of pipe materials are unknown. Of all pipes, 34% have no data on either diameters or materials, and there are no operations and maintenance manuals for the existing stormwater detention ponds. A programme is underway to improve knowledge of Council assets and their condition, as reflected in future budgeting.

The average life expectancy of stormwater pipes is 60-70 years. The average life expectancy of stormwater points (manholes, catch pits) is closer to 100 years. With our current knowledge, most components have some years of life left, but some are suspected to be at the end of their effective life. The condition of critical aboveground assets is better known and a maintenance and renewal programme is in place to address condition issues over time.

There is currently no budget available to increase the length of piped drains. This means that the open drains, predominantly in rural or lifestyle areas, will remain. Their maintenance is essential to retain good flow, and open drains are very efficient for the cost associated with the maintenance and operations, and carry a large amount of water and work very well within our current systems.

Many drains flow into harbours or waterways which are covered by discharge consents from NRC.

9.3 Risk and hazard management

Climate change will place additional demand on stormwater infrastructure as heavy rain events become more common and more severe. This will need to be addressed by commissioning stormwater management reports for the serviced areas which will identify any issues created by climate change and sea level rise; these documents will form a major part of any replacement programme where pipe capacity may need increasing. Open drains should manage any extra demand expected.

The District Plan requires new buildings to have all habitable floors designed with a minimum freeboard height to floor level of 500mm above the 100 year average recurrence interval flood level. This will be able to be better applied once NRC completes their programme of catchment mapping and modelling of key catchments and the reports from these projects are finalised. LiDAR for Northland is programmed to be completed by the end of 2019.

Dargaville has a reasonably high flood risk; to protect against this it has stopbanks, floodgates and a floodwall along the Kaihu and Northern Wairoa Rivers. These have been constructed over many years to provide the current level of flood protection for Dargaville and all need to be investigated and assessed for condition, structural integrity and height to ensure that they meet future needs set against altered climate conditions and rising sea levels.

Environmental management issues may become more pressing given that over 100 stormwater outfalls flow into harbours/watercourses which all need to be covered by discharge consents, this will be investigated when possible to try to reduce the number of floodgates into the receiving environments. 14 swimming sites are monitored by NRC over summer.

Silting of the receiving waterways and the upper harbour is likely to reduce the effectiveness of the drainage systems. The implications will be assessed in conjunction with the investigations of climate change and sea level rise.

9.4 Issues, options and implications

Much of our underground assets are of unknown condition. Given the age of some pipes, it is suspected that some are at the end of their effective life, and at risk of failure. There have been no significant failures to date so the life may be more than expected. Improved condition knowledge is essential as this allows Council to base the repair and renewal strategies on known information and more efficient and cost-effective programmes for the future. We do know that there is a significant backlog of renewal work to clear especially in Dargaville. The Dargaville system has already been identified as being under capacity in earlier reports.

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

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

Options

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Option 2: Consider affordable alternatives

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

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

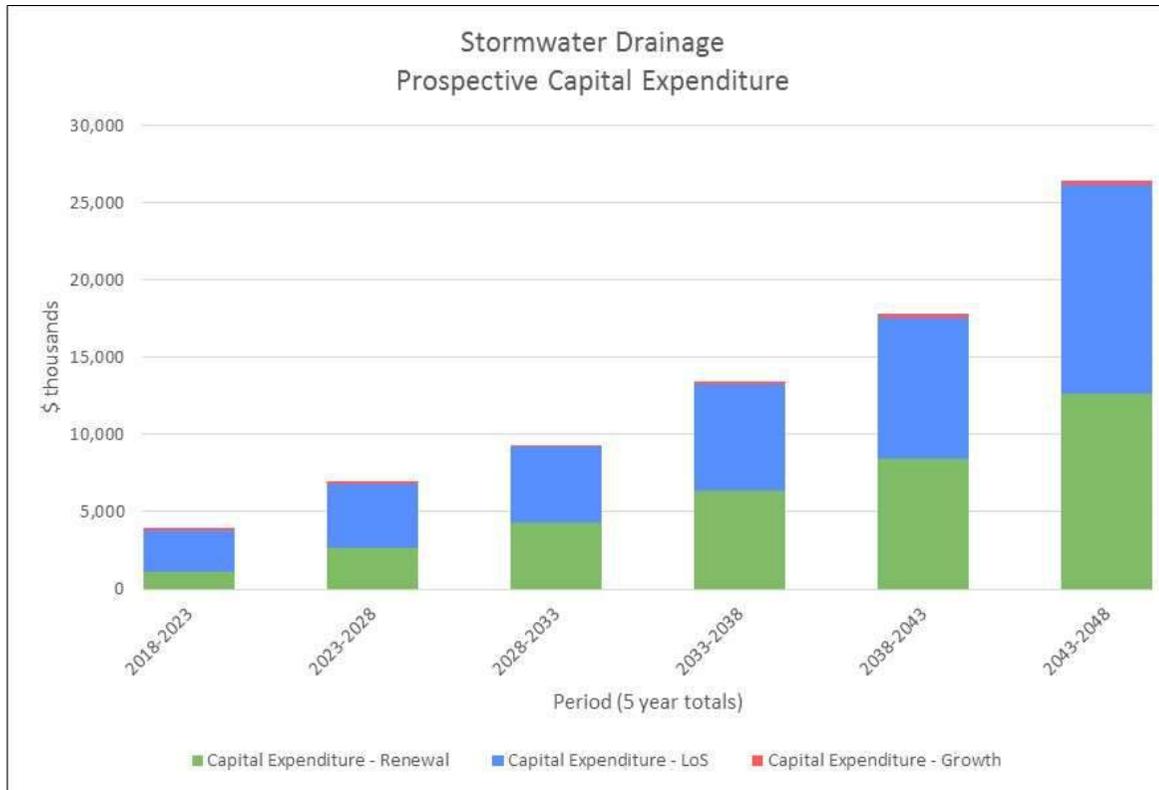
Option 3: Review service delivery model

Institute an affordable renewals programme that:

- meets consent conditions: and

- addresses the backlog of renewals required over time while we investigate alternatives for provision e.g. community management, industry management based on dominant user/s.

Projected capital expenditure for this period is shown on the below graphs and tables, this outlines renewals, level of service and growth related projects.



Projected operating expenditure for the years 2018 to 2048 is shown on the tables below.

Prospective Infrastructure Strategy Costs - Stormwater Drainage - adjusted for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
30 June	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2018-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2023-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenditure												
<i>Total operating expenditure</i>	1,073	1,254	1,162	963	1,005	5,456	1,044	1,099	1,123	1,220	1,293	5,779
Capital expenditure												
Capital Expenditure - Growth	7	40	41	34	40	161	41	35	36	37	38	185
Capital Expenditure - LoS	114	529	541	664	763	2,611	810	752	801	853	908	4,124
Capital Expenditure - Renewal	49	149	152	397	407	1,154	445	486	528	573	620	2,651
<i>Total capital expenditure</i>	170	718	734	1,095	1,209	3,926	1,296	1,272	1,364	1,462	1,566	6,960
Total expenditure	1,243	1,971	1,896	2,058	2,215	9,383	2,340	2,371	2,487	2,682	2,859	12,739

For the year ended:	Total Budget						
30 June	2018-2023	2023-2028	2028-2033	2033-2038	2038-2043	2043-2048	2018-2048
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenditure							
<i>Total operating expenditure</i>	5,456	5,779	7,931	10,212	13,186	16,777	59,341
Capital expenditure							
Capital Expenditure - Growth	161	185	123	150	205	279	1,103
Capital Expenditure - LoS	2,611	4,124	4,834	6,869	9,123	13,556	41,117
Capital Expenditure - Renewal	1,154	2,651	4,347	6,394	8,461	12,619	35,626
<i>Total capital expenditure</i>	3,926	6,960	9,304	13,413	17,789	26,454	77,846
Total expenditure	9,383	12,739	17,235	23,624	30,975	43,231	137,187

Prospective Infrastructure Strategy Costs - Stormwater Drainage - excluding adjustment for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
30 June	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2018-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2023-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenditure												
<i>Total operating expenditure</i>	1,073	1,221	1,106	894	911	5,205	922	946	940	994	1,023	4,824
Capital expenditure												
Capital Expenditure - Growth	7	39	39	31	36	152	36	30	30	30	30	156
Capital Expenditure - LoS	114	516	516	619	694	2,459	719	650	675	700	725	3,469
Capital Expenditure - Renewal	49	145	145	370	370	1,079	395	420	445	470	495	2,225
<i>Total capital expenditure</i>	170	700	700	1,020	1,100	3,690	1,150	1,100	1,150	1,200	1,250	5,850
Total expenditure	1,243	1,921	1,806	1,914	2,011	8,895	2,072	2,046	2,090	2,194	2,273	10,674

For the year ended:	Total Budget						
30 June	2018-2023	2023-2028	2028-2033	2033-2038	2038-2043	2043-2048	2018-2048
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenditure							
<i>Total operating expenditure</i>	5,205	4,824	5,746	6,386	7,142	7,867	37,169
Capital expenditure							
Capital Expenditure - Growth	152	156	90	96	114	135	743
Capital Expenditure - LoS	2,459	3,469	3,550	4,370	5,080	6,575	25,503
Capital Expenditure - Renewal	1,079	2,225	3,193	4,069	4,713	6,120	21,399
<i>Total capital expenditure</i>	3,690	5,850	6,833	8,535	9,907	12,830	47,645
Total expenditure	8,895	10,674	12,579	14,921	17,049	20,697	84,814

9.5 Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- meets consent conditions: and
- addresses any backlog of renewals required, and over time refining the renewals programme.

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

There are no current plans to pipe open drains.

9.6 Impact on rates

The proposed impact on rates will vary by scheme. The targeted rate is proposed to increase steadily as more investigation work is completed and projects required across the district are identified as per the tables below.

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

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

9.7 Impact by scheme

9.7.1 Te Kopuru

Issues

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

There is also 149m of stormwater pipeline which is aging and will need renewal in future years. Te Kopuru will require a Stormwater Catchment Management Plan (SWCMP) completed at some point within the next 10 years.

Implications

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

Operating expenditure for the years 2018 to 2048 is approximately \$0.903 million.

Capital expenditure for the years 2018 to 2048 is currently set at zero until more is known about Te Kopuru's system and the community's needs.

Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- meets consent conditions: and
- addresses any backlog of renewals required, and over time refining the renewals programme.

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the targeted rate by \$900 (5.63%) in 2018/2019. No capital works are currently identified for Te Kopuru until investigation of the state of the current assets and a SWCMP is completed for the area.

9.7.2 Dargaville/Baylys

Issues

The Dargaville urban area is serviced by an underground pipeline and open drain stormwater network. Much of the pipeline infrastructure is aged and there is a significant amount of deferred work to be addressed and earlier reports have identified Dargaville as being significantly under capacity for current population levels. Baylys also has some stormwater infrastructure though this is not as significant and has been implemented in the last decade. There are some issues surrounding stormwater flows through existing gullies that are causing some scour issues, and these are bringing water from large catchment areas starting in the hills surrounding the Baylys township.

After heavy rain events, Dargaville experiences stormwater infiltrating the wastewater infrastructure, this has been known to cause some overflow into the Northern Wairoa River and surrounding areas. (Some tolerance to ‘consents’ is allowed for heavy weather events.)

Implications

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

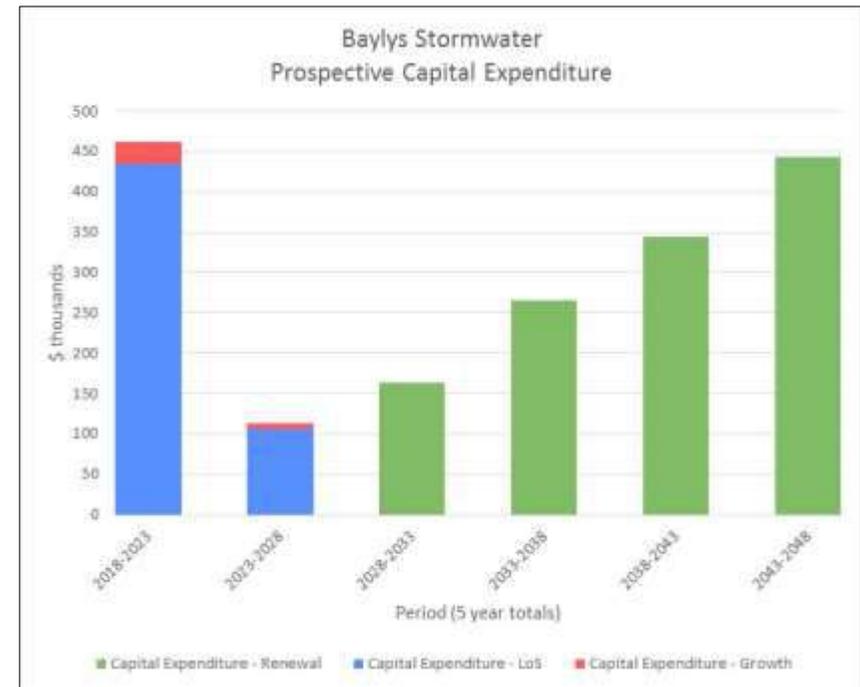
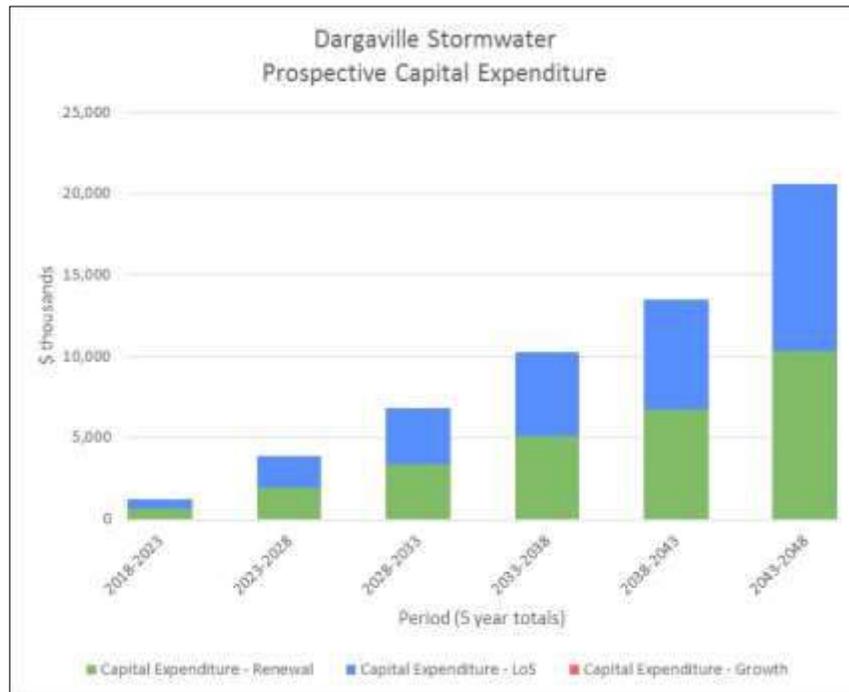
The changing demographic makes a full upgrade and replacement uneconomic and unaffordable under the current funding model, though this is an issue that will only get worse over time and other sources or avenues of funding may be required to complete the works required to bring Dargaville up to a standard that provides our minimum level of service.

Operating expenditure for Dargaville for the years 2018 to 2048 is \$35.34 million.

Operating expenditure for Baylys for the years 2018 to 2048 is \$2.21 million.

Capital expenditure for Dargaville for the years 2018 to 2048 is as follows:

Capital expenditure for Baylys for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- meets consent conditions; and
- addresses any backlog of renewals required, and over time refining the renewals programme.

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Impact on rates in 2018/2019

The proposed impact on rates for Dargaville will be a decrease of the targeted rate by \$109,000 (18.52%) in 2018/2019.

The proposed impact on rates for Baylys will be a decrease of the targeted rate by \$5,000 (8.10%) in 2018/2019.

9.7.3 Kaiwaka

Issues

The stormwater system in Kaiwaka is mainly associated with the State Highway and the roads joining it. The assets are ageing and will require substantial replacement over time, though this is still yet to be determined, knowledge of the current assets and their condition is sparse, NZTA seems to have little knowledge of this also. It is not confirmed how much network is currently in Kaiwaka as we understand there are stormwater assets that are not marked and do not appear in our current asset register.

Implications

Kaiwaka's stormwater system is 90% funded by a targeted rate on Kaiwaka properties and the remaining 10% is from the general rate, due to the lack of knowledge of our assets within Kaiwaka, and the need to produce a stormwater management plan on the back of data cleansing and investigation that will allow for any prospective growth within the Kaiwaka area, in part this will be due to the eventual extension of the motorway from Auckland.

Renewal work will keep the system working in the interim, but will have far reaching cost implications if growth is realised and the system is unable to meet capacity requirements.

Operating expenditure for the years 2018 to 2048 is \$1.65 million.

Capital expenditure for the years 2018 to 2048 is currently set at zero until further investigation and a SWCMP can be completed for the area, this Plan will also focus on expected growth and what will need to be completed to allow for this to happen and expand.

Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- meets consent conditions; and
- addresses any backlog of renewals required, and over time refining the renewals programme.

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the targeted rate by \$5,700 (39.04%) in 2018/2019. This represents the operational cost of the Kaiwaka stormwater network. No capital investment is planned in the next 10 years.

9.7.4 Mangawhai

Issues

Mangawhai has a mixture of old and new stormwater infrastructure, currently the issues we have revolve around the lack of infrastructure within currently built up areas as information supplied by previous stormwater management reports was either ignored or deemed unpalatable to the community. There is a lot of the network that is unknown within the older areas (Mangawhai Heads) and due to a lack of accurately updating information on our asset registers in the past new infrastructure that has been installed is not recorded.

The implications are such that the true extent and capacity of the current network is unknown and makes it difficult to accurately plan a renewal strategy or prepare plans and strategies for growth. Low-lying areas need to be identified and hydraulic analysis completed to predict any negative impacts from climate change and sea level rise as NRC finalises their draft plans and maps, this may include the implementation of drainage districts including stopbanks, floodgates and diversion channels; if the cost of the implementation of a drainage district is prohibitive with consultation these areas may need to be ring-fenced and all further development stopped.

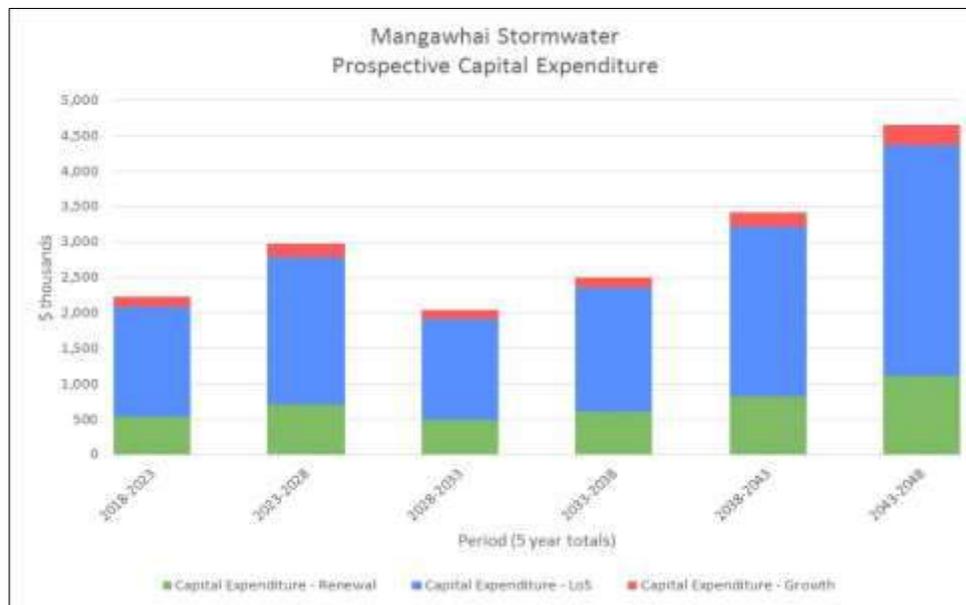
Implications

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

The projected total cost of capital expenditure for Mangawhai stormwater for the next 30 years is shown below, however as stormwater AMPs are completed this estimate may need to be revised, though if the management plans are completed and implemented in a timely manner the largest portion of cost will be borne by future developments.

Operating expenditure for the years 2018 to 2048 is \$17.39 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

- meets consent conditions; and
- addresses any backlog of renewals required, and over time refining the renewals programme.

Once the condition of the assets is known:

- preliminary condition assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the targeted rate by \$128,700 (18.73%) in 2018/2019. The system is relatively new so renewals is not a major component. The cost increase represents extensions needed to the network to cater for growth being experienced.

10 Wastewater

10.1 Overview

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

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

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

10.2 Assets, their age, condition and maintenance

The assets that form the wastewater systems include treatment plants (5), a disposal field, pump stations (32), rising mains (31km) gravity lines (109km), points (approximately 1,870) and connections (4,561). The condition of wastewater assets is not well documented and the current asset register contains errors. There is a programme of data cleansing and condition assessments in progress and planned to continue over the next three years. This has already begun for critical assets including those aboveground. The least known is about underground assets. It is known that there are sections of the older schemes that have old asbestos cement pipes in poor condition. The known issues are:

- Dargaville has over 10,000m of pipes aged over 60 years, which translate to about 25% of the network; and
- Maungaturoto, Te Kopuru and Kaiwaka have most of their pipes aged over 30 years.

While Dargaville has the biggest backlog, renewals will be due in other schemes in 10 plus years with the exception of Kaiwaka which has very recently begun to show signs of failure. Therefore, project costs are indicative and actuals may vary from those projected. For some small communities, and where population is in decline, funding this renewal programme may prove to be unaffordable.

10.3 Risk and hazard management

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

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

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

10.4 Issues, options and implications

Aside from Mangawhai, much of this infrastructure is aging or aged, so the most significant expenditure over the next 30 years will be on renewal work. There is a backlog of renewal work for Dargaville and the quickly approaching renewal wave needed for all other schemes, except Mangawhai, will be a challenge of affordability for these communities.

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

Significant expenditure will be needed for Mangawhai to accommodate growth and new connections. This has been allowed for in the LTP 2018/2028. The Mangawhai system and reticulation network is fairly new; there is no more than relatively minor renewal work until the latter part of the next 10 years.

Options

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Option 2: Consider affordable alternatives

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

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

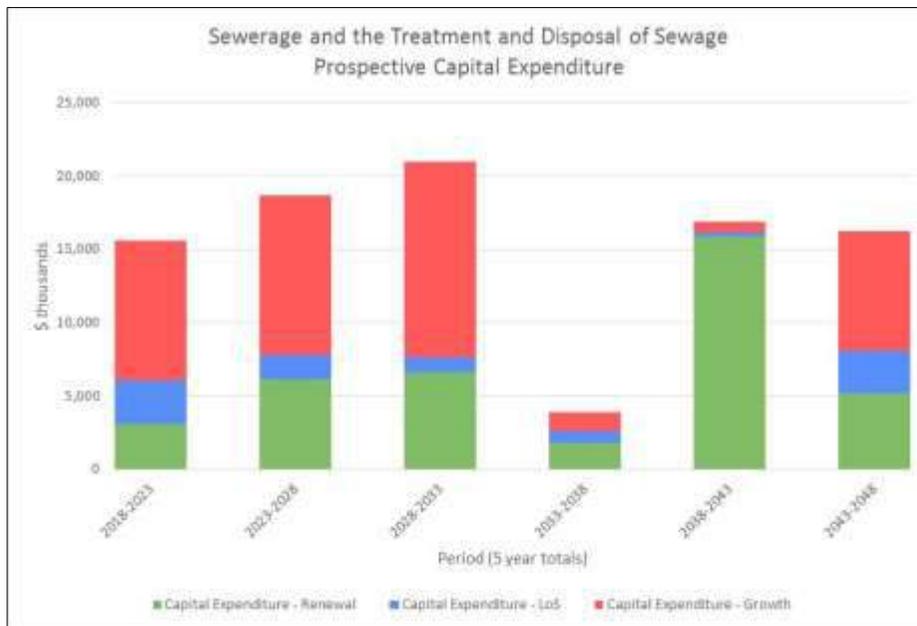
Option 3: Review service delivery model

Institute an affordable renewals programme that:

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

Operating expenditure for the years 2018 to 2048 is projected to be \$207 million (inflated).

Projected capital expenditure for this period is shown on the tables and graphs below outlining renewals, level of service and growth related projects.



Prospective Infrastructure Strategy Costs - Sewerage and the Treatment and Disposal of Sewage - adjusted for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
	2018-2019 \$'000	2019-2020 \$'000	2020-2021 \$'000	2021-2022 \$'000	2022-2023 \$'000	2018-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000	2026-2027 \$'000	2027-2028 \$'000	2023-2028 \$'000
30 June												
Operating expenditure												
<i>Total operating expenditure</i>	6,209	7,036	6,905	5,592	5,759	31,500	6,068	6,088	6,284	6,680	6,977	32,097
Capital expenditure												
Capital Expenditure - Growth	1,915	1,553	1,772	1,815	2,463	9,517	2,524	480	2,272	2,790	2,868	10,935
Capital Expenditure - LoS	748	895	420	554	301	2,917	59	159	756	624	16	1,615
Capital Expenditure - Renewal	1,041	634	414	489	550	3,128	1,163	1,134	1,267	1,292	1,286	6,142
<i>Total capital expenditure</i>	3,704	3,083	2,606	2,857	3,313	15,562	3,747	1,773	4,295	4,706	4,169	18,691
Total expenditure	9,912	10,118	9,511	8,448	9,073	47,063	9,815	7,861	10,579	11,386	11,146	50,788

For the year ended:	Total Budget						
	2018-2023 \$'000	2023-2028 \$'000	2028-2033 \$'000	2033-2038 \$'000	2038-2043 \$'000	2043-2048 \$'000	2018-2048 \$'000
30 June							
Operating expenditure							
<i>Total operating expenditure</i>	31,500	32,097	36,655	36,278	34,721	36,199	207,451
Capital expenditure							
Capital Expenditure - Growth	9,517	10,935	13,382	1,313	711	8,160	44,018
Capital Expenditure - LoS	2,917	1,615	1,028	730	354	2,854	9,497
Capital Expenditure - Renewal	3,128	6,142	6,598	1,845	15,849	5,216	38,778
<i>Total capital expenditure</i>	15,562	18,691	21,008	3,888	16,913	16,230	92,293
Total expenditure	47,063	50,788	57,663	40,166	51,635	52,429	299,744

Prospective Infrastructure Strategy Costs - Sewerage and the Treatment and Disposal of Sewage - excluding adjustment for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
	2018-2019 \$'000	2019-2020 \$'000	2020-2021 \$'000	2021-2022 \$'000	2022-2023 \$'000	2018-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000	2026-2027 \$'000	2027-2028 \$'000	2023-2028 \$'000
Operating expenditure												
<i>Total operating expenditure</i>	6,209	6,850	6,569	5,199	5,232	30,058	5,390	5,284	5,333	5,531	5,659	27,196
Capital expenditure												
Capital Expenditure - Growth	1,915	1,515	1,690	1,690	2,240	9,050	2,240	415	1,915	2,290	2,290	9,150
Capital Expenditure - LoS	748	874	401	516	274	2,811	53	138	638	513	13	1,353
Capital Expenditure - Renewal	1,041	619	395	455	500	3,010	1,032	981	1,068	1,060	1,026	5,167
<i>Total capital expenditure</i>	3,704	3,007	2,486	2,661	3,014	14,870	3,325	1,534	3,620	3,863	3,329	15,670
Total expenditure	9,912	9,858	9,054	7,859	8,246	44,929	8,715	6,818	8,953	9,393	8,987	42,866

For the year ended:	Total Budget						
	2018-2023 \$'000	2023-2028 \$'000	2028-2033 \$'000	2033-2038 \$'000	2038-2043 \$'000	2043-2048 \$'000	2018-2048 \$'000
Operating expenditure							
<i>Total operating expenditure</i>	30,058	27,196	27,480	24,342	20,869	17,606	147,550
Capital expenditure							
Capital Expenditure - Growth	9,050	9,150	9,835	868	375	4,125	33,403
Capital Expenditure - LoS	2,811	1,353	765	490	190	1,440	7,048
Capital Expenditure - Renewal	3,010	5,167	4,837	1,182	8,841	2,490	25,528
<i>Total capital expenditure</i>	14,870	15,670	15,437	2,539	9,406	8,055	65,978
Total expenditure	44,929	42,866	42,916	26,881	30,275	25,661	213,528

10.5 Most likely scenario

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

There are two schemes that are situated in small communities. The schemes are old and in need of asset renewal work within the life of this Strategy. Under the current charging policy, the communities would be charged targeted rates to pay for the needed renewals and upgrade. This may result in rates far higher than is seen as affordable for these communities (Te Kopuru and Glinks Gully). This Strategy allows for the deferral of upgrades to the Te Kopuru treatment plant to assess the most cost-effective option for addressing the plant's non-complying ammonia levels. The wastewater treatment plant in Kaiwaka is non-compliant and requires further investigation which is currently involving the NRC and could culminate into an upgrade of the treatment system. An upgrade to the treatment plant will have an impact on the rates. Glinks Gully's pump stations and rising main will be renewed in the third year of the 30 year strategy.

10.6 Impact on rates

For 2018/2019, over \$1.68 million of historic costs associated with the Mangawhai Community Wastewater Scheme are included in the calculation of the general rate. The remaining costs related to wastewater are separated into defined operating and defined capital costs. Defined operating costs are operational costs excluding interest and depreciation and defined capital costs are capital costs (i.e. including loan repayments) plus interest and funded depreciation.

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

10.7 Impact by scheme

10.7.1 Te Kopuru

Issues

Te Kopuru's wastewater treatment system and pipelines are ageing and renewal of much of the system will be required within the period of this strategy. Te Kopuru's small population makes affordability a challenge.

Implications

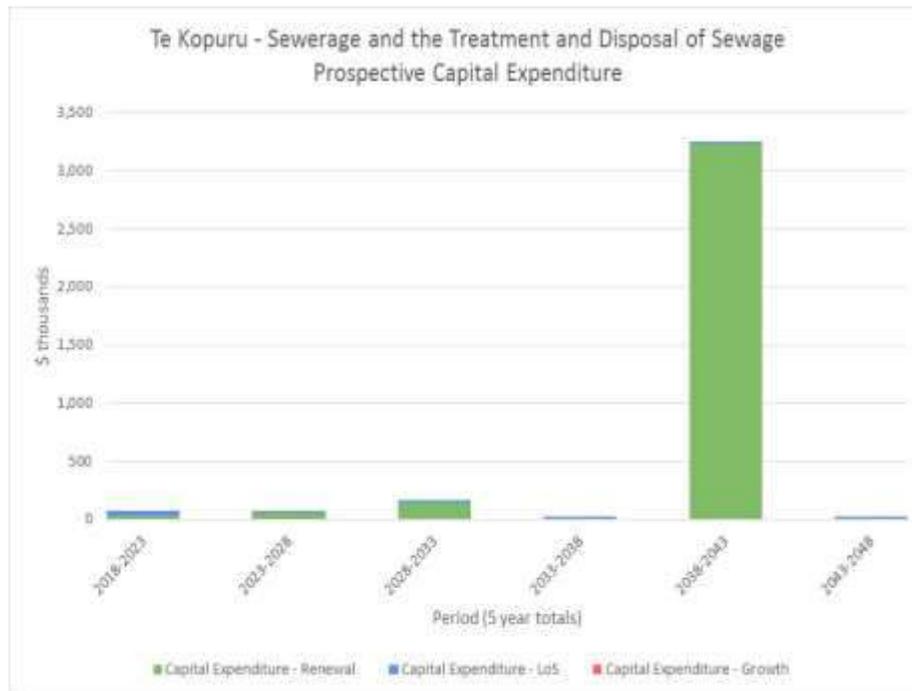
Te Kopuru's wastewater system is funded by a targeted rate on Te Kopuru properties.

The small population is likely to make any significant renewal to the treatment plant and renewal of the reticulation unaffordable under the current funding model.

This scheme has breached its environmental discharge consent with regards to ammonia discharge which is slightly above the consent limit. KDC is working with NRC to review the consent.

Operating expenditure for the years 2018 to 2048 is approximately \$4.0 million (inflated).

Capital expenditure for the years 2018 to 2048 is as follows:



10.7.2 Glinks Gully

Issues

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

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

Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the targeted rate by \$22,500 (20.36%) in 2018/2019.

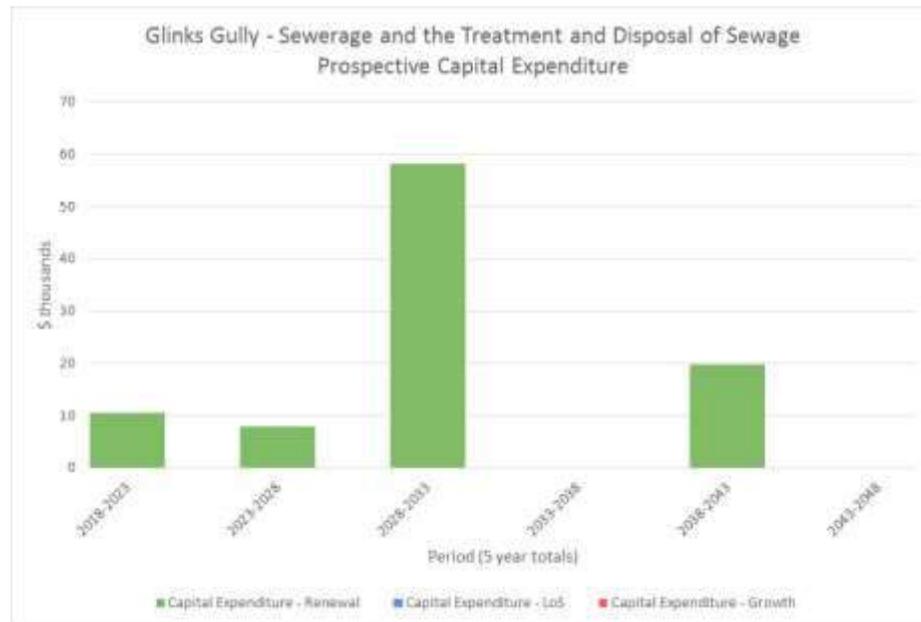
The proposed impact on rates for the next three years will be negligible whilst alternatives for funding are investigated.

Implications

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

Operating expenditure for the years 2018 to 2048 is approximately \$2.8 million (inflated).

Capital expenditure for the years 2018 to 2048 is as follows:



Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the targeted rate by \$2,800 (11.02%) in 2018/2019.

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

The proposed impact on rates if the renewal programme was fully funded may be unaffordable to the community e.g. \$23,000 in year 2019/2020 across 26 ratepayers, any upgrades will need to be loan funded and costs spread over a greater time period.

Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

10.7.3 Dargaville

Issues

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

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

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

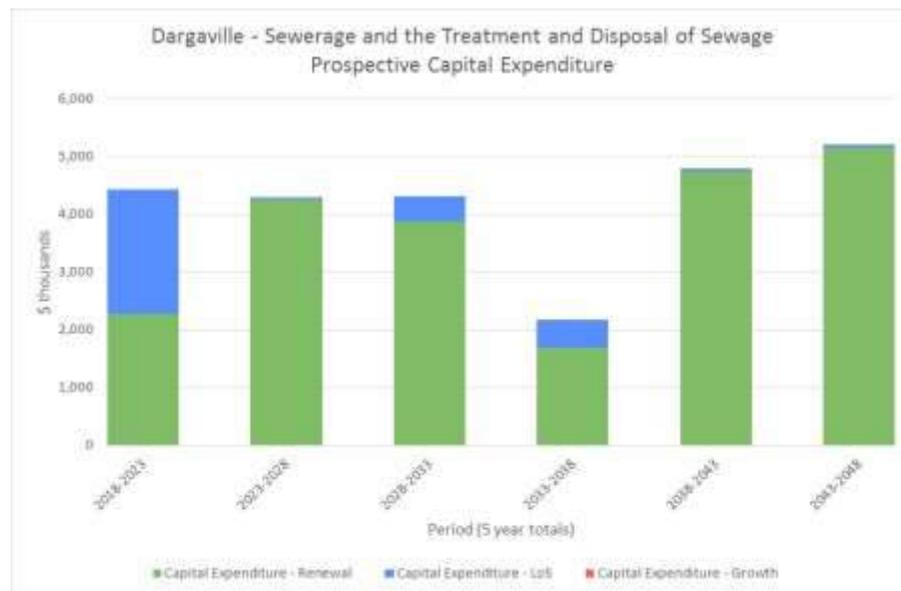
Programmed work: Undertake an assessment of the wastewater system.

Implications

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

Operating expenditure for the years 2018 to 2048 is \$49 million (inflated).

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the targeted rate by \$192,900 (9.49%) in 2018/2019.

10.7.4 Maungaturoto

Issues

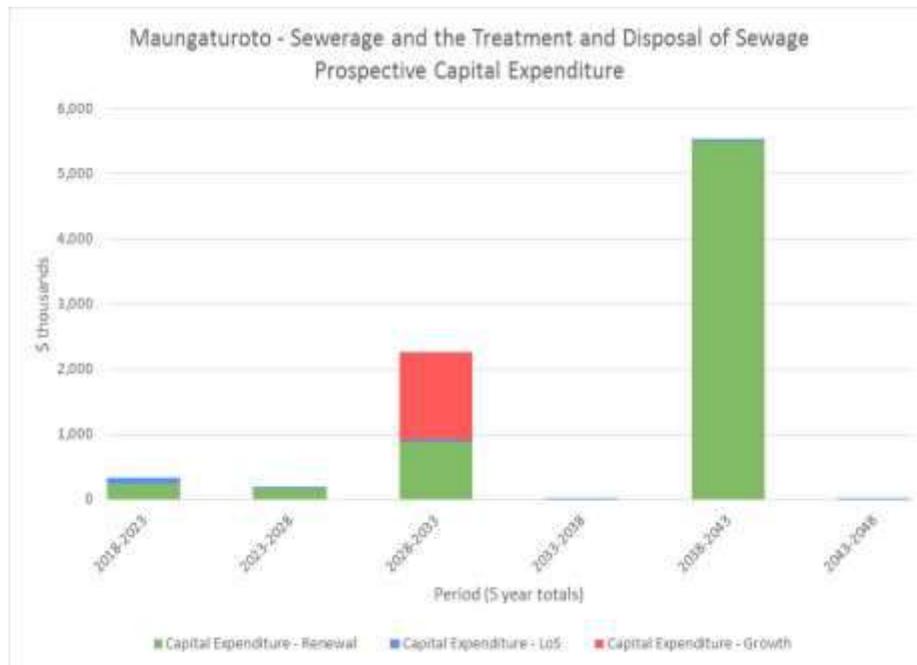
Maungaturoto is serviced by a single treatment plant constructed in 1992, comprising 11km of wastewater pipelines, 3 pump stations and 1.2km of rising main pipes that pump wastewater from pumping stations to the treatment plant. Maungaturoto’s wastewater system is aging and there is a significant amount of deferred renewal work to be addressed.

Implications

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

Operating expenditure for the years 2018 to 2048 is approximately \$12 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the targeted rate by \$62,900 (13.91%) in 2018/2019.

10.7.5 Kaiwaka

Issues

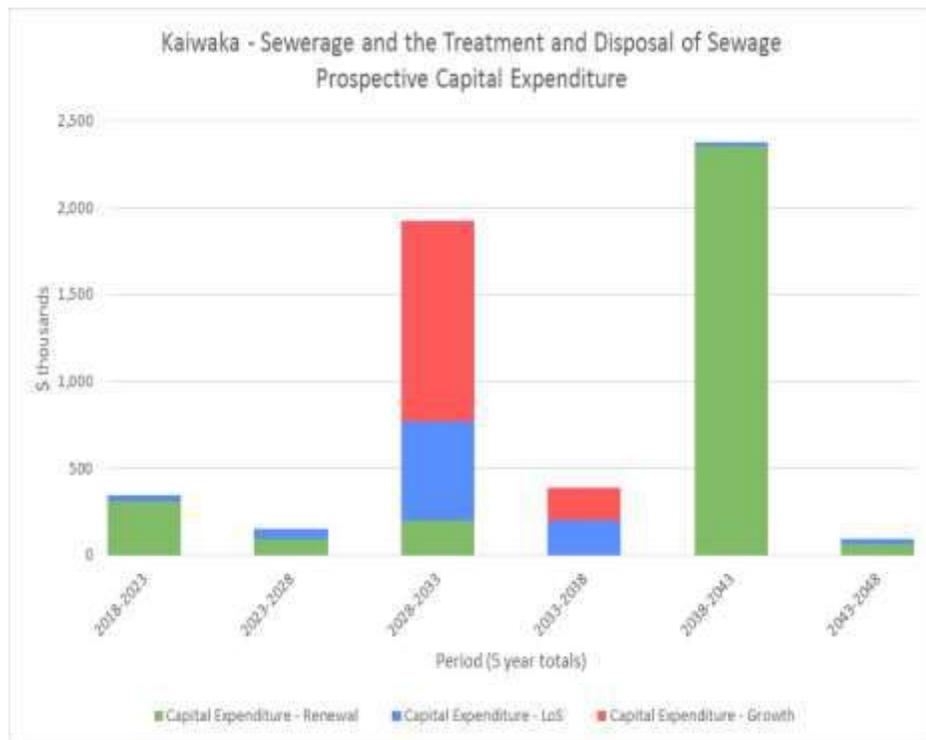
Kaiwaka wastewater system consists of 4km of gravity pipeline, 69 manholes, 1 pumping station and a single treatment plant. Kaiwaka’s wastewater system is aging, and will need replacing in the future.

Implications

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

Operating expenditure for the years 2018 to 2048 is approximately \$9.1 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021; and
- detailed assessments with preferred approach by 2023.

Impact on rates

The proposed impact on rates will be an increase of the targeted rate by \$35,300 (20.48%) in 2018/2019

10.7.6 Mangawhai

Issues

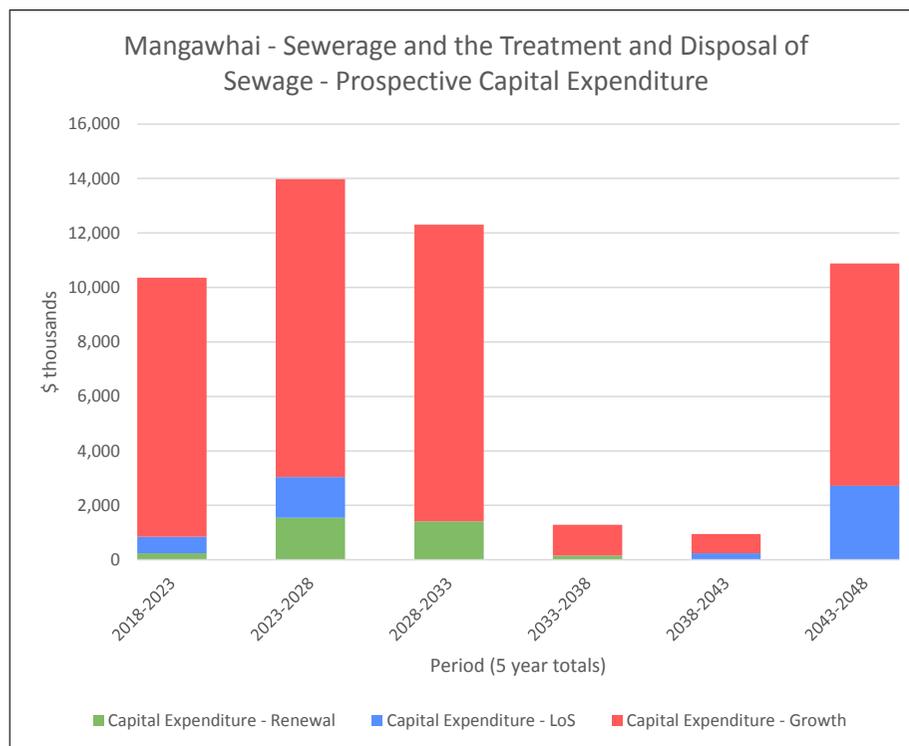
The Mangawhai Community Wastewater Scheme (MCWWS) is a 'state of the art' collection, treatment and reuse system.

Implications

Mangawhai’s wastewater system is partly funded by a targeted rate on Mangawhai properties as well as being funded by the general rate on all Kaipara properties (to fund a portion of the historic costs). The wastewater system and reticulation network is fairly new; there is no more than minor renewal work until the latter part of the next seven years. However, there is significant growth predicted in Mangawhai and growth related projects will continue to be implemented in 2018/2019.

Operating expenditure for the years 2018 to 2048 is approximately \$70 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 4 which includes significant capital expenditure to extend the scheme and augment the WWTP and disposal system.

Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the targeted rate by \$375,300 (15.97%) in 2018/2019

11 Water Supply

11.1 Overview

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

11.2 Assets, their age, condition and maintenance

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

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

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

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

Two of the schemes do not meet Drinking-water Standards for New Zealand 2005 (Revised 2008) currently. They are Maungaturoto and Mangawhai. Mangawhai was upgraded in December 2016 and is equipped with cartridge filtration and UV and current monitoring is yet to go through a full year cycle required for assessment for compliance with the Drinking-water Standards for New Zealand 2005 (Revised 2008). Maungaturoto is yet to be assessed for the full year for the newly installed UV lamp outage alarms.

There is a storage dam built for the Dargaville water supply however it is not connected. The cost of connecting it to the Dargaville system is approximately \$2.8 million. Although this has been included in the 2021/2022 year, an ecological study will evaluate the environmental impact of extracting water when the Kaihu River is at a lower flow than is currently consented.

11.3 Risk and hazard management

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

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

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

Council has 111 metered connections on its Dargaville and Maungaturoto raw water mains (i.e. untreated and non-potable water). These are extraordinary supplies and are for the purpose of supplying untreated water for farming uses in the rural areas. There is a risk that this raw water is used inappropriately as a source of potable water for dwellings. Council has commenced sanitary assessments of the properties with raw water connections and insanitary building notices are issued where required, requiring the property owners to remediate the issue.

11.4 Issues, options and implications

Much of Council's water infrastructure is aging or aged, so the most significant expenditure over the next 30 years will be on renewal work to renew water systems. There is some backlog of renewal work to be done, mainly pipes, especially in Dargaville and Maungaturoto.

The level of service related to bringing all our water treatment plants up to the standard needed to comply with Drinking-water Standards for New Zealand Drinking 2005 (Revised 2008) has been completed. Compliance will be granted after the Northland District Health Board assesses the supplies over a full year cycle. Some small schemes may become unaffordable.

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

11.4.1 Options

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021;
- detailed assessments with preferred approach by 2023; and
- the renewals programme for the schemes will increase costs over the lifetime of this Strategy, and the renewals programme will continue to be refined when more condition data becomes available over the years to defer any renewals for as long as is practical and economical.

Option 2: Consider affordable alternatives

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

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

Option 3: Review service delivery model

Institute an affordable renewals programme that:

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

Option 4: Self-supply (applies to all schemes)

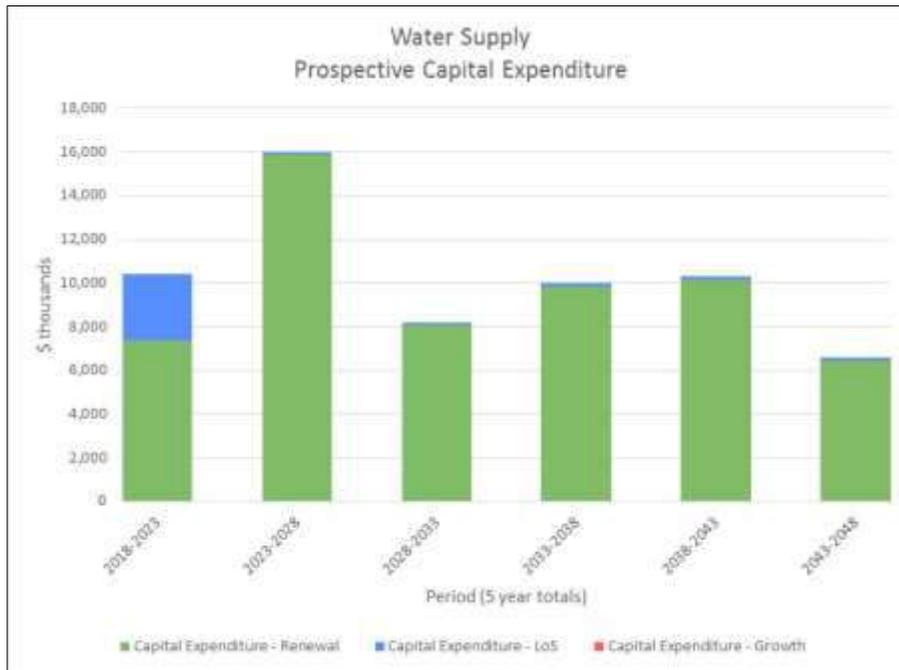
Prohibit new connections on the periphery of the water supply zone in favour of self-supply (e.g. roof tank) to preserve the existing infrastructure, increase water conservation education and use water pricing to lower usage.

Option 5: Pipeline (Dargaville only)

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

Operating expenditure for the years 2018 to 2048 is approximately \$53 million.

Projected capital expenditure for this period is shown on the tables and graphs below outlining renewals, level of service and growth related projects.



Prospective Infrastructure Strategy Costs - Water Supply - adjusted for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
30 June	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2018-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2023-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenditure												
<i>Total operating expenditure</i>	2,317	2,365	2,412	2,376	2,510	11,980	2,642	2,674	2,721	2,768	2,821	13,627
Capital expenditure												
Capital Expenditure - Growth	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - LoS	13	13	13	1,490	1,526	3,054	14	14	15	15	16	74
Capital Expenditure - Renewal	1,866	1,825	1,471	1,443	762	7,366	3,407	2,793	3,802	2,333	3,551	15,886
<i>Total capital expenditure</i>	1,878	1,838	1,485	2,932	2,288	10,420	3,421	2,808	3,817	2,348	3,567	15,960
Total expenditure	4,195	4,203	3,896	5,309	4,797	22,400	6,063	5,481	6,538	5,117	6,388	29,587

For the year ended:	Total Budget						
30 June	2018-2023	2023-2028	2028-2033	2033-2038	2038-2043	2043-2048	2018-2048
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenditure							
<i>Total operating expenditure</i>	11,980	13,627	15,074	16,516	18,390	21,055	96,640
Capital expenditure							
Capital Expenditure - Growth	0	0	0	0	0	0	0
Capital Expenditure - LoS	3,054	74	99	114	131	150	3,623
Capital Expenditure - Renewal	7,366	15,886	8,081	9,857	10,150	6,447	57,788
<i>Total capital expenditure</i>	10,420	15,960	8,180	9,971	10,281	6,597	61,411
Total expenditure	22,400	29,587	23,254	26,487	28,671	27,652	158,051

Prospective Infrastructure Strategy Costs - Water Supply - excluding adjustment for inflation

For the year ended:	Budget	Budget	Budget	Budget	Budget	Total Budget	Budget	Budget	Budget	Budget	Budget	Total Budget
	2018-2019 \$'000	2019-2020 \$'000	2020-2021 \$'000	2021-2022 \$'000	2022-2023 \$'000	2018-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000	2026-2027 \$'000	2027-2028 \$'000	2023-2028 \$'000
30 June												
Operating expenditure												
<i>Total operating expenditure</i>	2,317	2,305	2,296	2,209	2,277	11,405	2,337	2,303	2,281	2,257	2,233	11,411
Capital expenditure												
Capital Expenditure - Growth	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - LoS	13	13	13	1,388	1,388	2,813	13	13	13	13	13	63
Capital Expenditure - Renewal	1,866	1,780	1,403	1,344	693	7,086	3,023	2,416	3,205	1,915	2,835	13,393
<i>Total capital expenditure</i>	1,878	1,793	1,416	2,731	2,080	9,898	3,035	2,428	3,218	1,928	2,848	13,456
Total expenditure	4,195	4,097	3,712	4,940	4,358	21,303	5,372	4,731	5,499	4,184	5,080	24,867

For the year ended:	Total Budget						
	2018-2023 \$'000	2023-2028 \$'000	2028-2033 \$'000	2033-2038 \$'000	2038-2043 \$'000	2043-2048 \$'000	2018-2048 \$'000
30 June							
Operating expenditure							
<i>Total operating expenditure</i>	11,405	11,411	10,915	10,299	9,870	9,725	63,624
Capital expenditure							
Capital Expenditure - Growth	0	0	0	0	0	0	0
Capital Expenditure - LoS	2,813	63	73	73	73	73	3,167
Capital Expenditure - Renewal	7,086	13,393	5,933	6,285	5,678	3,160	41,535
<i>Total capital expenditure</i>	9,898	13,456	6,006	6,358	5,751	3,233	44,702
Total expenditure	21,303	24,867	16,921	16,658	15,620	12,958	108,327

11.5 Most likely scenario

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

Within Kaipara there are schemes for water supply situated in small communities with a small population. The schemes are old and in need of asset renewal work. Under the current charging policy, these communities would be charged targeted rates to pay for the needed renewals and upgrade. This may result in the rates being higher than is seen as affordable e.g. Glinks Gully or Ruawai.

There is a small water supply scheme serving a small number of private properties in Mangawhai Heads, the Wood Street shops and the Mangawhai Heads Camp Ground. The scheme was upgraded in December 2016 so that it would meet the requirements of the Drinking-water Standard for New Zealand 2005 (Revised 2008).

11.6 Impact on rates

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

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

Revenue from water rates is proposed to increase by \$403,800 (14.67%) in 2018/2019.

11.7 Impact by scheme

11.7.1 Glinks Gully

Issues

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

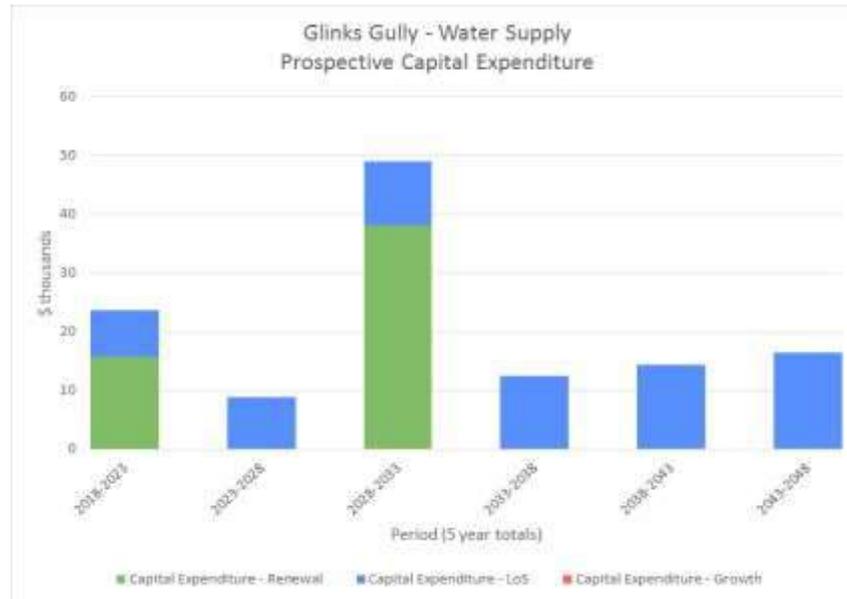
Glinks Gully's water supply complies with Drinking-water Standards for New Zealand 2005 (Revised 2008).

Implications

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

Operating expenditure for the years 2018 to 2048 is approximately \$2.8 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021;
- detailed assessments with preferred approach by 2023; and
- the renewals programme for the schemes will increase costs over the lifetime of this Strategy, and the renewals programme will continue to be refined when more condition data becomes available over the years to defer any renewals for as long as is practical and economical.

Impact on rates in 2018/2019

The proposed impact on rates will be an increase of the revenue from water charged of \$4,400 (15.38%) in 2018/2019.

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

The proposed impact on rates if the renewal programme was fully funded would be, we believe, unaffordable to the community.

11.7.2 Dargaville

Issues

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

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

Dargaville's water supply complies with Drinking-water Standards for New Zealand 2005 (Revised 2008).

Additional Options

Option 5: Pipeline

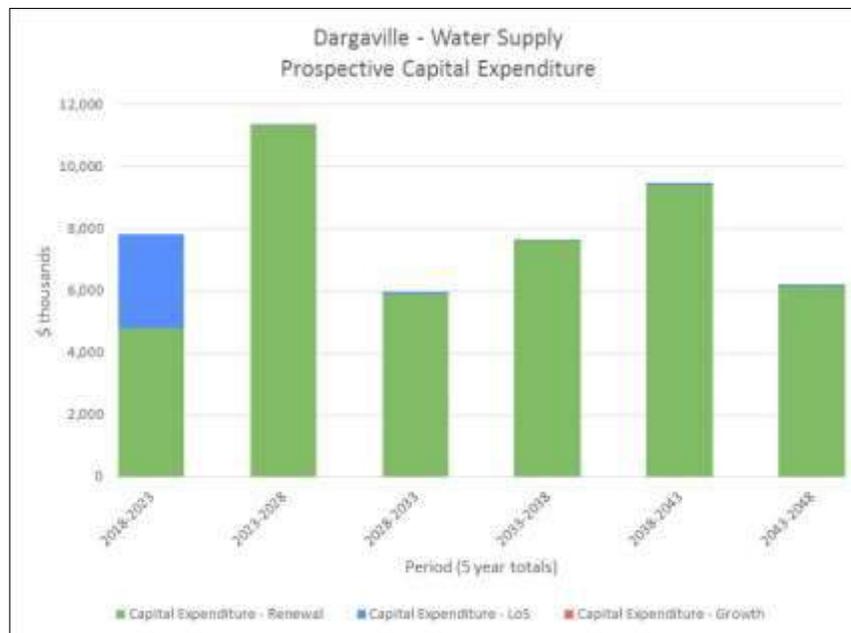
Construct a pipeline (estimated cost \$2.8 million) from Waitua Dam (Opanake Road) to Dargaville to improve security of supply during moderate droughts.

Implications

Dargaville's water system is funded by a targeted rate on Dargaville properties. The renewals programme for the schemes will increase costs over the lifetime of this Strategy, and the renewals programme will continue to be refined when more condition data becomes available over the years to defer any renewals for as long as is practical and economical.

Operating expenditure for the years 2018 to 2048 is approximately \$53 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary condition assessments completed by 2021;
- detailed assessments with preferred approach by 2023; and
- the renewals programme for the schemes will increase costs over the lifetime of this strategy, and the renewals programme will continue to be refined when more condition data becomes available over the years to defer any renewals for as long as is practical and economical.

Impact on rates

The proposed impact on rates will be an increase of the revenue from water charged of \$224,900 (10.27%) in 2018/2019.

One of the larger level of service projects requires the water take, pumps, telemetry and reticulation to be upgraded, a Magflow meter installed and a resource consent variation obtained for water abstraction.

11.7.3 Ruawai**Issues**

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

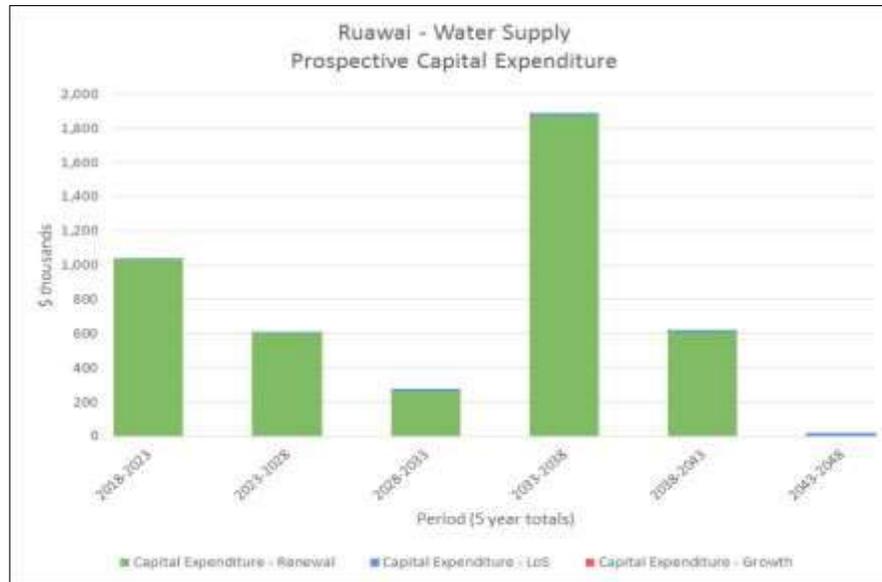
Ruawai's water supply complies with Drinking-water Standards for New Zealand 2005 (Revised 2008).

Implications

Ruawai's water system is funded by a targeted rate on Ruawai properties. To maintain Ruawai's water supply, capital expenditure for the next 30 years is projected to be \$5.7 million of which \$5.6 million is renewal.

Operating expenditure for the years 2018 to 2048 is \$10 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021;
- detailed assessments with preferred approach by 2023; and
- the renewals programme for the schemes will increase costs over the lifetime of this Strategy, and the renewals programme will continue to be refined when more condition data becomes available over the years to defer any renewals for as long as is practical and economical.

Impact on rates

The proposed impact on rates will be an increase of the revenue from water charged of \$45,000 (36.56%) in 2018/2019.

11.7.4 Maungaturoto

Issues

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

Raw water (i.e. untreated water) is also supplied to Fonterra.

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

Programmed work

Maungaturoto's water supply does not comply with the Drinking-water Standards for New Zealand 2005 (Revised 2008) (DWSNZ)), and is on course for compliance after a full year cycle monitoring of the newly installed UV lamp outage alarms i.e. whilst the water quality complies with the DWSNZ, a period of 12 months is required

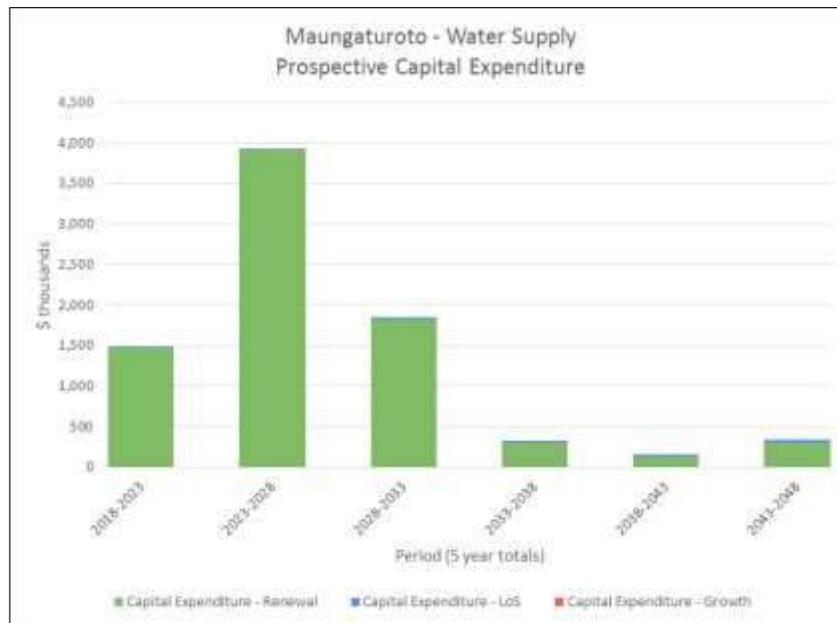
to demonstrate this. Operational adjustments and installation of a supervisory control and data acquisition (SCADA) system to bring the plant up to standard is complete.

Implications

Maungaturoto's water system is funded by a targeted rate and a volumetric charge on Maungaturoto properties. Fonterra uses approximately 75% of the water consumed.

Operating expenditure for the years 2018 to 2048 is approximately \$24 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021;
- detailed assessments with preferred approach by 2023; and
- the renewals programme for the schemes will increase costs over the lifetime of this Strategy, and the renewals programme will continue to be refined when more condition data becomes available over the years to defer any renewals for as long as is practical and economical.

Impact on rates

The proposed impact on rates will be an increase of the revenue from water charged of \$125,200 (31.73%) in 2018/2019.

Fonterra is charged \$485,000 (excluding GST) annually for water supplied from Maungaturoto's water scheme.

11.7.5 Mangawhai**Issues**

Mangawhai has a small water scheme with only 18 connections. The scheme primarily provides potable water to the Mangawhai Heads Camp Ground, Wood Street shops and community housing. Maintaining water services for a small number of users means high costs, with relatively little benefit for the wider community.

Mangawhai's water supply is on course to comply with the Drinking-water Standards for New Zealand 2005 (Revised 2008) after the installation of a new cartridge filter and UV water treatment plant in December 2016

Programmed works

A sum of \$10,000 is provided in 2020/2021 Capital Works Programme to renew part of the reticulation in addition to the yearly \$1,500 for compliance type level of service minor works from 2018 to 2021.

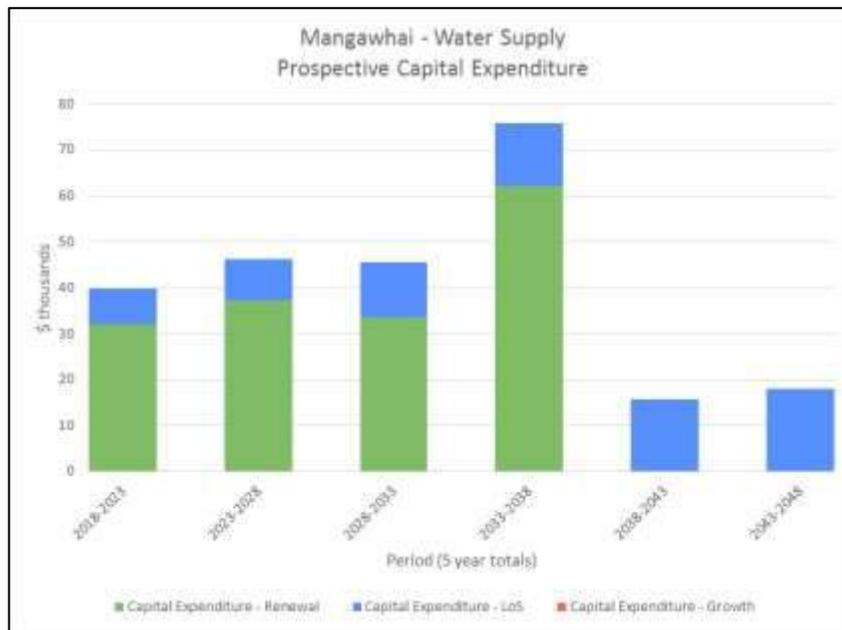
Implications

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

Maintaining and renewing the water service has cost implications, however reducing services would mean current users would need to secure alternate water sources.

Operating expenditure for the years 2018 to 2048 is approximately \$4.0 million.

Capital expenditure for the years 2018 to 2048 is as follows:



Impact on rates

The proposed impact on rates will be an increase of the revenue from water charged of \$4,300 (27.04%) in 2018/2019.

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

The proposed impact on rates if the renewal programme is fully funded would be, we believe, unaffordable to the community e.g. \$12,000 in year 2019/2020 across 18 connections.

Most likely scenario

Option 1: Enhanced status quo

Institute an affordable renewals programme that:

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

Once the condition of the assets is known:

- preliminary conditions assessments completed by 2021;
- detailed assessments with preferred approach by 2023; and
- the renewals programme for the schemes will increase costs over the lifetime of this Strategy, and the renewals programme will continue to be refined when more condition data becomes available over the years to defer any renewals for as long as is practical and economical.

12 Technology and trends for infrastructure

Outlined below are some possible technological advances and trends which could affect the management of Kaipara's infrastructure over the next 30 years:

12.1 Rooding

12.1.1 Technology

- Improved construction materials;
- Real time data collection systems for roads;
- Engineering design improvements and changes;
- Technology that changes work patterns, assists in longer life of assets, and reduces renewal programmes;
- Three- and four-dimensional design systems introducing new ways of designing roads;
- Intelligent transport systems (ITS) in which information, data processing, communication, and sensor technologies are applied to transport infrastructure, vehicles and users (so they can sense each other and communicate);
- Development technology to use roadways to generate energy - for example roads acting as solar panels; and
- The usage of Unmanned Aerial Vehicles (UAV's) to carry out surveys, network screening, quality assurance, emergency response assessment, etcetera.

12.1.2 Trends

- Movement towards regional management of roading networks in New Zealand;
- Focus on Transport customers and what they need from the network, why and when, a change from managing the network to managing the activity and providing the appropriate means;
- Focus on economic benefits of roading networks;
- Focus on infrastructure resilience - particularly in dealing with natural disasters and weather events;
- New funding models including user pays systems to fund uptake of new technology and road improvements;
- Design and planning to adapt to changing conditions, including climate change;
- Public interest in the environmental impact of road use; and
- Greater use of public transport where available or integrated transport solutions e.g. road and rail.

12.2 Water

12.2.1 Technology

- Technological improvements in treating raw water;
- Improved technology in water monitoring;
- Improved technology for conserving, purifying, recycling, reclaiming and desalinating water; and
- Improved technology in stand-alone (private) systems.

12.2.2 Trends

- Higher standards for drinking water quality and monitoring (as part of national drinking water standards);
- Water conservation becoming more of a focus, and water being used more efficiently;
- Recycling and reuse of water;
- Rainwater harvesting;
- Water becoming more regulated; and
- Increased interest in stand-alone private water systems and storage.

12.3 Wastewater

12.3.1 Technology

- Improvements to membrane filtration resulting in very high quality wastewater treatment;
- Improved technology and techniques in pipeline rehabilitation;
- Low pressure wastewater systems which eliminate the need for deep pipe systems;
- Improved technology in self-contained private wastewater systems (e.g. composting toilets); and
- Control of pressure systems discharge by timed and sectional discharge.

12.3.2 Trends

- Membrane filtration and other treatment technology becoming more affordable;
- Higher environmental standards for discharge from wastewater systems into waterways; and
- Increased interest and affordability in stand-alone private wastewater systems and storage.

12.4 Stormwater

12.4.1 Technology

- Low impact design stormwater management – mimicking the natural environment and reducing the impact of stormwater run-off and discharge on the environment;
- Climate change predicted to increase the risk, magnitude and frequency of extreme weather events;
- Stream restoration and riparian planting replacing standard, lined stormwater channels; and
- Treatment drain systems which use two or more treatment methods, such as ground soakage and riparian planting, to improve discharge quality.

12.4.2 Trends

- Focus on working with the natural environment to provide effective stormwater systems, and to lessen environmental impacts;
- Rising environmental standards for discharge into waterways; and
- Increased interest in private, self-sufficient stormwater systems.

12.5 Flood protection

12.5.1 Technology

- Temporary or semi-permanent flood resilience technology that can be used in extreme conditions - including barriers, protection walls and flood products;
- Smart technology systems - in which information, data processing, communication and sensor technologies are applied to flood protection and water level monitoring;
- Changes in engineering and design of flood protection systems e.g. three- and four- dimensional design systems; and
- Flood protection systems that focus on working with the natural environment.

12.5.2 Trends

- Climate change predicted to increase the risk, magnitude and frequency of extreme weather events;
- Increasing interest in the role of flood protection to support primary industries and communities;
- Holistic approach to flood risk management - adaptable and flexible systems; and
- New approaches towards 'living with' flooding rather than 'defending from' flooding, for example by making more space for water or enhancing the resilience of buildings and environments.



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Groups of Activities



Groups of activity statements

The Provision of Roads and Footpaths

Why we do this

Kaipara district relies heavily on the road transportation network for community well-being and economic connections within and beyond our area. Safe and effective roads and footpaths are essential to delivering these benefits.

For further information on how this activity contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

What we do

- Manage a road network of 1,573 kilometres, of which 72% (1,125 kilometres) is unsealed.
- Maintain and renew:
 - sealed and unsealed roads, plus safety, resilience and capacity improvements;
 - roadside drainage, mowing, and rubbish and vegetation control;
 - 348 bridges, accommodating increased capacity (average daily traffic) and 50 tonnes maximum total weight (50MAX) high productivity motor vehicles (HPMV);
 - Emergency work from initial response to reinstatement;
 - Footpaths, including changes to shared use to facilitate cycling and mobility scooters. We also maintain footpaths adjacent to the state highway network through townships;
 - Information and regulatory signage;
 - Road marking;
 - Streetlights;
 - Street cleaning;

- Safety barriers, guide fences, pedestrian crossings and island separations; and
- Walkways, shared pathways and cycleways.
- Other responsibilities include:
 - road safety promotion and education;
 - advocate for NZ Transport Agency (NZTA) and other central government funding to support key transport infrastructure projects in Kaipara district;
 - we are a member of the Northland Transportation Alliance (NTA), a shared services business unit based in Whangarei. Other members include Far North District Council (FNDC), Whangarei District Council (WDC), Northland Regional Council (NRC) and NZTA;
 - ensure all new works meet our engineering standards;
 - liaise with NZTA liaison regarding the state highway network throughout Kaipara district;
 - member of Northland Lifelines Group;
 - member of Regional Transport Committee;
 - member of Regional Freight Group; and
 - member of Regional Stock Truck Effluent Dumping working party.

How this benefits the community

Good roads and footpaths are an essential part of our infrastructure and they play a key role in lifting our well-being, from community connection through to our economy.

- Roads and footpaths will be safe and accessible;
- Every property will have access to the network (not necessarily supplied by Council);
- Maximum uptake of all available NZTA subsidies within the three-year planning programme, where we have the matching KDC Local Share;
- We will maintain at least minimum standards for sealed roads (repairing potholes and edge breaks) and unsealed roads (repairing potholes and corrugations);
- Bridges are inspected bi-annually in line with the NZTA Bridge Manual. Bridges with weight or speed restrictions are inspected annually. Work on bridges is based on the outcome of these inspections;
- The transport network is safe and passable for all heavy vehicles involved in farming, forestry or produce meeting the classification for heavyweight vehicles; and
- Expected road closure number and duration where an alternative route is available will align with the NZTA customer Level of Service (LOS) times.

Risks and issues

- A current backlog of reduced pavement depth on some unsealed roads creates less comfortable driving during winter;
- The intensity of heavy traffic loadings including dairy, aggregate and forestry harvest increases pavement deterioration on those roads used, especially low volume and access roads as these are built to a lower standard;
- Communities perceive service levels for our roads are very low, particularly the unsealed network, and regularly raise this as an issue;
- There is a lack of contractors and specialist service providers in Northland; on occasion this requires us to use those based in Auckland;
- Our ability to fund our share of the subsidised and unsubsidised road improvement budget;
- A change in the level of Government subsidy and/or a change in the types of subsidised functions; and
- The cost of delivering physical works is highly dependent on the cost of bitumen, cartage, fuel and aggregate cost which fluctuate outside our control.

How we fund this service

- General rates;
- Targeted rates;
- Grants, subsidies and other funding sources;
- Development contributions;
- Financial contributions;
- Borrowing; and
- Asset sales.

Improvement programme 2018/2028 - The Provision of Roads and Footpaths	
Year 1 – 2018/2019 Planned improvement / change	<ul style="list-style-type: none"> • Bridge management strategy: meet risk and prioritisation drivers by combining the north and south bridges and structures into one document and strategy. Consider an NTA joint bridge and structures inspection contract; and • Risk management strategy: develop an integrated risk management process aligned with our corporate risk strategy. This will include risks for our disabled and elderly population.
Year 2 – 2019/2020 Planned improvement / change	<ul style="list-style-type: none"> • New asset data acceptance standards: Review adequacy of developers (subdivision and land development) handover requirements contained within NZ Engineering Standards; and • Identify a programme to enhance acceptance standards, including asset schedules and capital cost recording for each asset created.
Year 3 – 2020/2021 Planned improvement / change	<ul style="list-style-type: none"> • Asset data for footpaths: rate the condition of all footpaths every five years to develop a robust Forward Works Programme. Include a framework to consider for disabled and elderly customers faults.
Years 4-10 – 2021/2028 Planned improvement / change	<ul style="list-style-type: none"> • Retaining wall asset data: develop an inventory to improve our knowledge about structural assets on our roading and footpath network.

Funding Impact Statement - The Provision of Roads and Footpaths - Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	8,997	9,458	10,048	10,584	10,796	10,902	11,315	11,643	11,930	12,286	12,697
Targeted rates	390	390	399	407	417	427	437	448	460	472	485
Subsidies and grants for operating purposes	5,845	4,541	4,856	4,968	5,057	5,178	5,306	5,443	5,588	5,735	5,911
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	2,528	2,102	2,132	2,188	2,085	2,112	2,160	2,192	2,236	2,270	2,329
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	17,760	16,491	17,435	18,147	18,355	18,619	19,218	19,726	20,214	20,763	21,422
Application of operating funding											
Payments to staff and suppliers	10,158	8,125	8,558	8,755	8,914	9,126	9,351	9,591	9,846	10,116	10,411
Finance costs	55	51	68	74	86	99	110	116	127	139	153
Internal charges and overheads applied	3,755	4,142	4,281	4,394	4,462	4,577	4,699	4,819	4,956	5,088	5,253
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	13,968	12,318	12,907	13,223	13,462	13,802	14,160	14,526	14,929	15,343	15,817
Surplus (deficit) of operating funding	3,792	4,173	4,528	4,924	4,893	4,817	5,058	5,200	5,285	5,420	5,605

Note: The 2017/2018 Subsidies and Grants, and Contractors are "inflated" due to a carry forward of projects into that year. The LTP years commencing 2018/2019 represent normal levels of activity.

Funding Impact Statement - The Provision of Roads and Footpaths - Capital

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	8,287	8,062	7,004	7,854	7,194	7,105	7,407	7,557	7,753	7,963	8,186
Development and financial contributions	325	102	105	108	112	115	75	78	81	85	88
Increase (decrease) in debt	-82	371	77	187	165	156	120	126	139	149	164
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	8,530	8,535	7,186	8,149	7,471	7,376	7,602	7,761	7,973	8,197	8,438
Applications of capital funding											
Capital expenditure - to meet additional demand	562	2,274	201	309	1,304	1,329	1,358	1,401	1,428	1,467	1,518
Capital expenditure - to improve the level of service	3,013	2,930	3,282	3,669	3,470	3,162	3,581	3,683	3,765	3,867	3,990
Capital expenditure - to replace existing assets	10,603	8,343	8,245	9,149	8,075	8,198	8,226	8,393	8,592	8,825	9,091
Increase (decrease) in reserves	-1,857	-839	-13	-53	-484	-496	-505	-516	-528	-542	-556
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	12,321	12,708	11,714	13,074	12,364	12,193	12,660	12,961	13,258	13,617	14,043
Surplus (deficit) of capital funding	-3,792	-4,173	-4,528	-4,924	-4,893	-4,817	-5,058	-5,200	-5,285	-5,420	-5,605
Funding Balance	0										

Note: The 2017/2018 Subsidies and Grants, and Contractors are "inflated" due to a carry forward of projects into that year. The LTP years commencing 2018/2019 represent normal levels of activity.

Capital Expenditure Table - The Provision of Roads and Footpaths

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
The Provision of Roads and Footpaths	13,547,132	11,727,263	13,126,287
106 - Bridges and Structures	750,000	766,500	783,363
Internal professional services	✓	✓	✓
Structures component replacements 18/19	✓		
Structures component replacements 19/20		✓	
Structures component replacements 20/21			✓
120 - Road Works - Unsealed	2,500,000	2,555,000	2,611,210
Forestry related metalling 18/19	✓		
Forestry related metalling 19/20		✓	
Forestry related metalling 20/21			✓
Heavy metalling 18/19	✓		
Heavy metalling 19/20		✓	
Heavy metalling 20/21			✓
Internal professional services	✓	✓	✓
135 - Road Works - Minor Improvements	5,546,172	3,482,507	3,977,606
Bagnal Road	✓		
Bridge replacements 18/19	✓		
Bridge replacements 19/20		✓	
Bridge replacements 20/21			✓
Estuary Drive	✓		
FC programme		✓	✓
Garbolino Road	✓		
Grove Road	✓		
Growth and demand improvements 18/19	✓		
Internal professional services	✓	✓	✓
Jack Boyd Drive	✓		
King Road	✓		
Minor improvements/safety/resilience 18/19	✓		
Minor improvements/safety/resilience 19/20		✓	
Minor improvements/safety/resilience 20/21			✓
Molesworth Drive	✓		
Morrison Road	✓		
New footpath 18/19	✓		
New footpath 19/20		✓	
New footpath 20/21			✓
Oneriri Road	✓		
Paths; walkways and cycleways 18/19	✓		
Paths; walkways and cycleways 19/20		✓	

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
Paths: walkways and cycleways 20/21			✓
Tara/Kaiwaka-Mangawhai Road	✓		
164 - Emergency Works and Preventative Maintenance	200,000	204,400	208,897
Emergency works (local share only) 18/19	✓		
Emergency works (local share only) 19/20		✓	
Emergency works (local share only) 20/21			✓
Internal professional fees	✓	✓	✓
250 - Roading District Wide Operations	35,000	0	0
KDC client request projects	✓		
252 - Road Works - Drainage	800,000	817,600	835,587
Drainage renewals 18/19	✓		
Drainage renewals 19/20		✓	
Drainage renewals 20/21			✓
Internal professional fees	✓	✓	✓
272 - Road Works - Sealed Resurfacing	2,186,960	2,338,618	2,180,511
Internal professional services	✓	✓	✓
Roads to be determined 18/19	✓		
Roads to be determined 19/20		✓	
Roads to be determined 20/21			✓
275 - Road Works - Sealed	1,354,000	1,383,788	2,346,329
Internal professional services	✓	✓	✓
Rehabs 18/19	✓		
Rehabs 19/20		✓	
Rehabs 20/21			✓
281 - Traffic Services	175,000	178,850	182,785
Internal professional services	✓	✓	✓
Traffic services renewals 18/19	✓		
Traffic services renewals 19/20		✓	
Traffic services renewals 20/21			✓

Measuring Performance - The Provision of Roads and Footpaths

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
Road safety There are no fatalities or serious injury crashes on the local network that are directly contributable to road condition. <i>Measured by coronial inquiry findings.</i>	0	0	0	0
Road safety The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. <i>Measured by: NZ Transport Agency (NZTA) Crash Analysis System (CAS) statistic versus the 2016/2017 number of 10.</i>	≤10	≤10	≤10	≤10
Condition of the sealed local road network: The average quality of ride, measured by smooth travel exposure within the following range. <i>Measured by NZTA Performance Measure Reporting Tool.</i>	≥ 90	≥ 90	≥ 90	≥ 90
Condition of the sealed local road network: The percentage of the sealed local road network that is resurfaced. <i>Measured by: NZTA Performance Management Reporting Tool (PMRT) and/or NZTA Annual Achievement Report.</i>	>6.7%	>6.7%	>6.7%	>6.7%
Maintenance of the sealed local road network <i>Measured by the actual spent to budget percentage for the surfacing renewal budget.</i>	≥95% - ≤103%	≥95% - ≤103%	≥95% - ≤103%	≥95% - ≤103%

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
<p>Maintenance of the unsealed local road network</p> <p>The length of the unsealed local network that is graded measured using the NZTA One Road Network Classification (measurement data sourced from RAMM contractor) for:</p> <p style="text-align: right;">Secondary collector road</p> <p style="text-align: right;">Access road</p> <p style="text-align: right;">Access (low volume) road</p>	<p>140km min.</p> <p>1,200km min.</p> <p>750km min.</p>			
<p>Execution of capital works programme</p> <p>Maximum uptake, within the three year planning programme, of the approved NZTA budget for Kaipara district, provided Council can also fund the local share.</p> <p><i>Measured by:</i> Monthly and annual capital works programme reporting % spent to budget.</p>	≥ 95%	≥ 95%	≥ 95%	≥ 95%
<p>Condition of footpaths within the local road network: Percentage of residents that are fairly/very satisfied with footpaths.</p> <p><i>Measured by</i> annual Resident Survey.</p>	73%	73%	73%	73%
<p>Response to service requests</p> <p>The percentage of customer service requests relating to roads and footpaths to which the Council responds within the specified timeframe.</p> <p><i>Measured by</i> core application reporting tool.</p>	90%	90%	90%	90%

Significant negative effects - The Provision of Roads and Footpaths

- Low levels of resilience for most of the unsealed network restricts our ability to provide a reasonable Level of Service (LOS);
- High volumes of forestry harvest traffic on low volume and access roads puts a high cost on structural maintenance;
- High growth in the east coast communities is putting pressure on that network; and
- Our changing population profile affects services required and connections to them e.g. an aging population requires mobility scooter space and more public transport, others are looking for commuter cycling opportunities, recreational walking facilities.

Water Supply

Why we do this

A constant, adequate, sustainable and high-quality water supply to Kaipara district's reticulated areas is essential for communities and local economic development. Public water supplies ensure communities receive water at the cost of production. Our water supply activities also protect and enhance our natural assets and open spaces.

For further information on how this activity contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to all three Community Outcomes, primarily "A trusted Council making good decisions for the future" as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Providing a base level of supply for businesses where a need is proven • Reliable access to clean and safe water is needed by most businesses. By providing infrastructure services, this activity supports growth of the local economy.
A district with strong and welcoming communities	<ul style="list-style-type: none"> • Supporting communities to use local solutions e.g. encouraging harvesting rainwater for domestic and commercial use where appropriate • Providing a base level of supply to communities where a need is proven • Contributing to a safe living environment by providing safe drinking water and water for firefighting. • Helps maintain public health standards
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> • Complying with all regulations including consent conditions (community and Council) <ul style="list-style-type: none"> ○ ensuring Council's infrastructure complies ○ enforcing compliance of private owners with their consents • Balances the provision of this service with environmental protection. If done well, minimises the impact of taking water from the natural environment.

This activity plays an important role in enabling community well-being. Its overall contribution to progressing Community Outcomes at a district level is considered to be high.

What we do

- Operate four community water supply schemes for Dargaville (including Bayllys), Glinks Gully, Ruawai and Maungaturoto giving them a sustainable drinking water supply. There is also a small scheme in Mangawhai, mostly supplying the Mangawhai Heads Holiday Park and the Woods Street commercial precinct;
- We own and maintain the whole water supply network for the five schemes;
- Activities include collecting raw water:
 - We treat raw water to produce quality and quantities of drinking water to drinking water standards (potable); and
 - Distribute treated water to the point of supply to customers to meet specific flow, pressure and quality standards. This includes water for emergency fire-fighting services for Dargaville's urban area.
- We also operate:
 - customer services;
 - water billing;
 - asset management;
 - planning;
 - treatment plant operations and maintenance;
 - network operations and maintenance;
 - capital and refurbishment programme; and
 - consent monitoring and compliance.

How this benefits the community

Water supply is crucial to our economic and social well-being. While water supply in Kaipara district is discretionary and defined by historic circumstances specific to different communities, we also support industries such as Silverfern Farms in Dargaville and Fonterra in Maungaturoto. Except for current systems supplying urban communities, households should expect to provide their own water supply through harvesting of water.

- We will continue providing water as is currently supplied within Kaipara district;
- We will provide water to Drinking Water Standards for New Zealand 2005 (Revised 2008) (NZDWS) except for raw water connections where we will provide non-potable raw water as an extraordinary supply;
- We will not extend our reticulation areas to include new residential areas;
- Where there are proposals for new commercial and industrial areas, we will consider supporting that economic development through the water supply as part of a re-zoning proposal, on a cost-recovery basis; and
- We will comply with resource consents in respect of water takes, ensuring they do not adversely affect the environment.

Risks and issues

- Supplying raw water to customers for pastoral uses is a risk as it does not comply with the NZDWS, and if incorrectly used as drinking water without appropriate treatment, it may result in public health issues;
- Dargaville water supply has drought risks and the security of supply for Dargaville is challenging during dry years;
- The renewals programme is still based on affordability and condition assessments. Our water supply assets are generally in good shape, except pipes for the older schemes which are nearing the end of their effective lives and need renewal. Renewal costs will be high and must be done in a planned and affordable manner. Some small communities serviced by old schemes and the small Mangawhai scheme may find the renewals required unaffordable; and
- Asset knowledge (mainly pipes) is mixed and we risk unforeseen asset failure.

How we fund this service

- Targeted rates;
- Fees and charges;
- Development contributions;
- Financial contributions;
- Borrowing;
- Asset sales; and
- Lump sum contributions.

Improvement programme 2018/2028 - Water Supply

Year 1 – 2018/2019

Planned improvement / change

- Develop a central database and Geographic Information Systems (GIS) mapping for condition assessment information and generate a renewal programme;
- Replace the manual system for consents, compliance and monitoring with a central management software system;
- Continue the data cleansing project to improve our knowledge of our assets, including asset life to help with renewal planning;
- An ecological study of the Kaihu River to assess the possibility of varying the water take consent;
- Water loss management by ensuring the contractor adheres to reactive timeframes for leak requests, and is proactive in leak detection and effective meter reading;
- Review and update water safety plans for all five water supply schemes using the latest requirements from Northland District Health Board (NDHB);
- Continue with condition assessments of water supply assets in alignment with wastewater and stormwater services, and feed into the renewals programme;
- Develop hydraulic computer models for Dargaville, Maungaturoto and Ruawai reticulation networks, predicting pressures and flows to confirm network capacity and manage growth; and
- Review data management procedures and include development of a system for recording maintenance and costs at asset component level in our asset register.

Improvement programme 2018/2028 - Water Supply

<p>Year 2 – 2019/2020 Planned improvement / change</p>	<ul style="list-style-type: none"> • Continue developing a central database and GIS mapping for condition assessment information and generate a renewal programme; • Review and update the water safety plans for all five water supply schemes using the latest requirements from NDHB; • Continue with the condition assessments of water supply assets in alignment with wastewater and stormwater services, and feed into the renewals programme; • Continue developing hydraulic computer models for Dargaville, Maungaturoto and Ruawai reticulation networks, predicting pressures and flows to confirm network capacity and manage growth; • Review data management procedures and include development of system for recording maintenance and costs at asset component level in the asset register; and • Water loss management by ensuring the contractor adheres to reactive timeframes for leak requests, and is proactive in leak detection and effective meter reading.
<p>Year 3 – 2020/2021 Planned improvement / change</p>	<ul style="list-style-type: none"> • Continue developing a central database and GIS mapping for condition assessment information and generate a renewal programme; • Continue developing a central database and GIS mapping for condition assessment information and generate a renewal programme; • Review and update the water safety plans for all five water supply schemes using the latest requirements from NDHB; • Continue with condition assessments of water supply assets in alignment with wastewater and stormwater services, and feed into the renewals programme; • Continue developing hydraulic computer models for Dargaville, Maungaturoto and Ruawai reticulation networks, predicting pressures and flows to confirm network capacity and manage growth; and • Water loss management by ensuring the contractor adheres to reactive timeframes for leak requests, and is proactive in leak detection and effective meter reading.

Improvement programme 2018/2028 - Water Supply**Years 4-10 – 2021/2028****Planned improvement / change**

- Review and update the water safety plans for all five water supply schemes using the latest requirements from NDHB;
- Continue with condition assessments of water supply assets in alignment with wastewater and stormwater services, and feed into the renewals programme; and
- Water loss management by ensuring the contractor adheres to reactive timeframes for leak requests, and is proactive in leak detection and effective meter reading.

Funding Impact Statement – Water Supply - Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	3,240	3,157	3,315	3,403	3,493	3,760	4,005	4,093	4,208	4,325	4,407
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	15	491	504	516	528	541	554	569	583	599	616
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	3,255	3,648	3,819	3,919	4,021	4,301	4,559	4,662	4,791	4,924	5,023
Application of operating funding											
Payments to staff and suppliers	1,126	1,307	1,327	1,340	1,283	1,316	1,350	1,387	1,426	1,467	1,513
Finance costs	278	261	274	295	320	389	457	430	415	396	377
Internal charges and overheads applied	600	749	764	777	773	805	835	857	880	905	932
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	2,004	2,317	2,365	2,412	2,376	2,510	2,642	2,674	2,721	2,768	2,822
Surplus (deficit) of operating funding	1,251	1,331	1,454	1,507	1,645	1,791	1,917	1,988	2,070	2,156	2,201

Funding Impact Statement - Water Supply - Capital

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	0	214	251	0	489	0	868	0	1,080	0	614
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-77	386	224	221	1,070	1,033	-542	-577	-623	-669	-672
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	-77	600	475	221	1,559	1,033	326	-577	457	-669	-58
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure											
- to improve the level of service	394	13	13	13	1,490	1,526	14	14	15	15	16
Capital expenditure											
- to replace existing assets	781	1,865	1,825	1,471	1,443	762	3,407	2,794	3,802	2,333	3,550
Increase (decrease) in reserves	-1	53	91	244	271	536	-1,178	-1,397	-1,290	-861	-1,423
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	1,174	1,931	1,929	1,728	3,204	2,824	2,243	1,411	2,527	1,487	2,143
Surplus (deficit) of capital funding	-1,251	-1,331	-1,454	-1,507	-1,645	-1,791	-1,917	-1,988	-2,070	-2,156	-2,201
Funding Balance	0										

Capital Expenditure Programme - Water Supply

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
Water Supply	1,878,000	1,837,752	1,484,568
127 - Dargaville Water Supply	1,414,500	1,123,872	1,341,610
Baylys trunk main Stage 3: Replace 1.5km 100mm ID from Duck Creek to Colville Road	✓		
Beach Road 480m watermain renewal stage 2 - upgrade to 150mm ID including connecting to Baylys Trunk main	✓		
Compliance with drinking water standards	✓	✓	✓
Dargaville raw watermain river crossing Stage 1 of 2		✓	
Dargaville raw watermain river crossings Stage 2			✓
Lorne Street: Replace 335m of 100mm ID water main; 215m of 50mm ID rider main loop			✓
Main under Dargaville High School: Re-route and replace 850m of 250mm ID pipe	✓		
Montgomery Avenue: replace rider main with 360m of 50mm ID	✓		
Normanby Street between Hokianga intersection and Gladstone Street intersection 550m watermain renewal - upgrade to 150mm ID		✓	
Pirika Street: replace 515m of 100mm ID water main; 300m of 50mm ID rider main loop			✓
Racecourse State Highway 14 watermain: replace 2km 100mm ID from Awakino River bridge to race course gate		✓	
Victoria Street: Replace 150m of 100mm ID pipe from Kaipia Street to Hokianga Road and tap into the 150mm from across Hokianga Road		✓	
Water take consent compliance	✓	✓	✓
Water Treatment Plant		✓	✓
154 - Maungaturoto Water Supply	309,000	361,825	3,146
NZDWS Compliance	✓	✓	✓
Raw watermain renewal: replace 200mm ID pipe plus 1965 (install) reticulation renewals	✓	✓	
Water take consent	✓	✓	✓
158 - Mangawhai Water Supply	1,500	1,538	12,059
Reticulation			✓
Take consent compliance	✓	✓	✓
161 - Ruawai Water Supply	151,500	348,981	126,181
NZDWS compliance	✓	✓	✓
Replace balance (Stage 4) of 2.3km reticulation of 100 to 150mm ID to meet fireflow	✓		
Water Treatment Plan and reservoir		✓	✓
239 - Glinks Gully Water Supply	1,500	1,538	1,573
Water take consent compliance	✓	✓	✓

Measuring Performance - Water Supply

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
The extent to which Council's drinking water supply complies with part 4 of the NZDWS (bacteria compliance criteria).	Dargaville, Maungaturoto, Ruawai, Glinks Gully and Mangawhai			
The extent to which Council's drinking water supply complies with part 5 of the NZDWS (protozoal compliance criteria).	Dargaville, Maungaturoto, Ruawai, Glinks Gully and Mangawhai			
The percentage of real water loss from our networked reticulation system (average for total network of all schemes). Real water loss is calculated by subtracting the meter readings and 'other components' from the total water supplied to the networked reticulation system.	≤30%	≤29%	≤28%	≤27%
Median response time for attendance for urgent call-outs; from the time the local authority receives notification to the time that service personnel reach the site.	≤2 hours	≤2 hours	≤2 hours	≤2 hours
Median response time for resolution of urgent call-outs; from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤48 hours	≤48 hours	≤48 hours	≤48 hours
Median response time for attendance for non-urgent call-outs; from the time the local authority receives notification to the time that service personnel reach the site.	≤3 hours	≤3 hours	≤3 hours	≤3 hours

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
Median response time for resolution of non-urgent call-outs; from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤3 days	≤3 days	≤3 days	≤3 days
Total number of complaints about drinking water quality e.g. clarity, odour, taste, pressure or flow and continuity of supply. Expressed per 1,000 water connections.	≤40	≤39	≤38	≤37
Total number of complaints received by Council about Council's response to any of these issues. Expressed per 1,000 water connections.	≤40	≤39	≤38	≤37
Water take consents:	100% compliance with Northland Regional Council consents.			
The average consumption of drinking water per day per resident within Kaipara district. Average calculated by the billed metered consumption (m ³) x 1,000 divided by the number of connections x 365 x 2.5 (occupancy rate).	Dargaville – 275 Maungaturoto – 340 Ruawai – 130 Glinks Gully – 52 Mangawhai – 230	Dargaville – 275 Maungaturoto – 340 Ruawai – 130 Glinks Gully – 52 Mangawhai – 230	Dargaville – 275 Maungaturoto – 340 Ruawai – 130 Glinks Gully – 52 Mangawhai – 230	Dargaville – 275 Maungaturoto – 340 Ruawai – 130 Glinks Gully – 52 Mangawhai – 230
Major capital projects are completed within budget.	Achieved	Achieved	Achieved	Achieved

Significant negative effects - Water Supply

- A potential negative effect is the supply of non-compliant drinking water to the community. Non-compliance can occur at the water treatment plant (WTP) or within the water network. We have stringent monitoring and testing regimes to control and supply the community with compliant drinking water;
- Water treatment system failure could affect dialysis patients or flood properties. Our contractors have a list of dialysis patients and notify them immediately of any outages, supplying water if needed. Breaks in the lines are unpredictable and difficult to detect in wet weather. However, any rapid reservoir depletion is a trigger for network investigation. Our Water Asset Management Plan describes our water assets and the practices used to manage them which helps to reduce possible negative effects and risks; and
- We mitigate potential negative effects through a mix of asset management planning activities, including:
 - asset development work;
 - monitoring and testing;
 - demand management initiatives; and
 - public education, including water conservation programmes.

Stormwater Drainage

Why we do this

Stormwater drainage protects our communities, infrastructure and public places from flooding by discharging stormwater and collecting contaminants to minimise adverse effects from rain, runoff and high tides. Stormwater drainage on state highways or floodwaters from rivers or land drainage is managed by NZ Transport Agency (NZTA).

For further information on how this activity contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

What we do

- We run five community stormwater drainage schemes for Dargaville, Baylys, Te Kopuru, Kaiwaka and Mangawhai;
- They protect people, houses, private property and public areas from flooding by removing and discharging stormwater, and collecting contaminants in a way that protects our environment and public health; and
- Stormwater drainage systems in Glinks Gully, Kelly's Bay, Pahi, Whakapirau, Tinopai, Paparoa and Matakoho are mostly incorporated into our roads network.

How this benefits the community

Our stormwater drainage activities protect public health and contribute to our social, economic and environmental well-being by:

- protecting people, houses, private property and public areas from flooding by removing and discharging stormwater;
- collecting contaminants in a way that protects our environment;
- complying with resource consent conditions;
- draining water from normal rainfall events;
- processing a 1:5 year rain event for rural/residential areas and a 1:10 year event for industrial areas; and
- managing stormwater in urban areas to retain usability of land.

Risks and issues

- Renewal of resource consents may require higher quality discharge to the receiving environment;
- Spring tides and storm events at the same time may create flooding in Dargaville and Ruawai and low-lying areas of Mangawhai, albeit for short periods;
- Our reliance on soakage where possible and the allowable design period of 1:5 Year Annual Exceedance Probability (AEP), does not fully mitigate nuisance ponding in certain weather conditions until groundwater can soak away; and
- Affordability around replacing the piped network for our older schemes which is nearing the end of its life expectancy and changing from pipes to a lower impact design.

How we fund this service

- General rates;
- Targeted rates;
- Development contributions;
- Financial contributions;
- Borrowing; and
- Asset sales.

Improvement Plan 2018/2028 - Stormwater Drainage**Year 1 - 2018/2019****Planned improvement / change**

- Develop a central database and Geographic Information Systems (GIS) mapping for condition assessment information and generate a renewal programme;
- Replace the manual system for consents, compliance and monitoring with a central management software system;
- Continue the data cleansing project to improve our knowledge of our assets, including asset life to help with renewal planning;
- Develop a renewals programme based on performance and condition ratings of critical stormwater assets;
- Clarify ownership of assets across the district (roading versus urban), including responsibilities of townships that are not serviced;
- Review data management procedures including development of a system for recording maintenance and costs at asset component level in the asset register, to help develop failure curves based on actual asset condition;
- Ongoing collection of data on asset attributes and condition as opportunity arises and as part of structured inspection programmes;
- Develop an understanding of Infrastructure capacity required to support urban development in accordance with the National Policy Statement (NPS) for Urban Development Capacity;
- Complete and adopt an updated Stormwater Catchment Management Plan (SWCMP) for Mangawhai;
- Survey all the coastal outfalls in the five urban townships; and
- Review the adequacy of developers' handover requirements contained within Engineering Standards 2011 and identify an improvement programme, include for asset schedules and capital cost recording for each asset created.

Improvement Plan 2018/2028 - Stormwater Drainage	
Year 2 - 2019/2020 Planned improvement / change	<ul style="list-style-type: none"> • Continue with development of capability, asset information capture and Asset Management Information System (AMIS) population of first three items above from 2018/2019; • Complete and adopt an updated SWCMP for Kaiwaka and Maungaturoto; • Develop a template for operations and maintenance manual for ponds with key information required for developers; • Development of Soakage Design Manual including engineering design standards and SWCMP references; and • Review and assessment of levels of deferred maintenance.
Year 3 - 2020/2021 Planned improvement / change	<ul style="list-style-type: none"> • Continue with development of capability, asset information capture and AMIS population of items in CORE for 2018/2019; • Complete and adopt the SWCMP for the remaining serviced stormwater districts; • Develop an hydraulic computer model for the Dargaville SWCMP, predicting flows to confirm network capacity and manage growth; • Review steel pipes installed in Dargaville and their condition as part of the condition assessment and asset data cleansing projects; and • Review of Levels of Service (LOS) for incorporation into 2021 Asset Management Plan (AMP).
Years 4-10 - 2021/2028 Planned improvement / change	<ul style="list-style-type: none"> • Continue with development of capability, asset information capture and AMIS population of first three items above in 2018/2019; • Review completed and adopted stormwater plans and ensure they are up-to-date, revise where required; • Continue to review and assess assets and the asset data, clean and inspect stormwater assets to keep up with maintenance and retain efficiency within the assets; • Continue to review data management procedures and systems to ensure that maintenance is recorded and costs are accurately recorded; • Update records of assets and review asset renewal and growth strategies to prepare for future AMPs and LTP updates; and • Continue to improve asset condition, data and management to provide the most efficient and effective maintenance and renewal strategies for Kaipara district and the ratepayers.

Funding Impact Statement - Stormwater Drainage - Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	207	223	288	290	246	253	245	250	258	274	285
Targeted rates	1,368	1,390	1,642	1,637	1,551	1,602	1,667	1,770	1,830	1,962	2,048
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	1,575	1,613	1,930	1,927	1,797	1,855	1,912	2,020	2,088	2,236	2,333
Application of operating funding											
Payments to staff and suppliers	508	612	768	684	507	518	517	537	529	574	597
Finance costs	189	173	157	171	186	208	235	257	283	312	346
Internal charges and overheads applied	226	288	328	307	270	279	292	305	311	335	350
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	923	1,073	1,253	1,162	963	1,005	1,044	1,099	1,123	1,221	1,293
Surplus (deficit) of operating funding	652	540	677	765	834	850	868	921	965	1,015	1,040

Funding Impact Statement - Stormwater Drainage - Capital

For the year ended:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	14	7	7	7	7	7	7	7	7	7	7
Increase (decrease) in debt	-314	-233	164	142	252	357	412	326	358	388	451
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	-300	-226	171	149	259	364	419	333	365	395	458
Applications of capital funding											
Capital expenditure											
- to meet additional demand	90	7	40	41	34	40	41	35	36	37	38
Capital expenditure											
- to improve the level of service	0	114	529	541	664	763	810	752	801	853	908
Capital expenditure											
- to replace existing assets	320	49	149	152	397	407	445	485	528	572	620
Increase (decrease) in reserves	-58	144	130	180	-2	4	-9	-18	-35	-51	-69
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	352	314	848	914	1,093	1,214	1,287	1,254	1,330	1,410	1,497
Surplus (deficit) of capital funding	-652	-540	-677	-765	-834	-850	-868	-921	-965	-1,015	-1,040
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Capital Expenditure Programme - Stormwater Drainage

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
Stormwater Drainage	170,000	717,500	734,003
101 - Dargaville Stormwater Scheme	50,000	51,250	52,429
Dargaville stormwater	✓	✓	✓
131 - Baylys Stormwater Scheme	20,000	153,750	157,286
Chases Gorge		✓	✓
Chases Gorge investigation	✓	✓	
246 - Mangawhai Stormwater Scheme	100,000	512,500	524,288
Mangawhai stormwater	✓	✓	✓

Measuring Performance - Stormwater Drainage

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
System adequacy For each flooding event, using a 1:5 year for Urban (Average Recurrence Interval 20%) and 1:10 year for Rural (ARI 10%), the number of habitable floors affected. (Expressed per 1,000 properties connected to the district's stormwater system.)	≤10	≤10	≤10	≤10
Response time The median response time in a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤2 hours for urgent events			
Customer satisfaction The number of complaints received by Council about the performance of its stormwater system, expressed per year. Expressed per 1,000 properties connected to the territorial authority's stormwater system.	≤18	≤18	≤18	≤18
Discharge compliance Abatement notices, infringement notices, enforcement orders, convictions.	0	0	0	0

Significant negative effects - Stormwater Drainage

- The greatest significant negative effect occurs when high levels of stormwater enter the wastewater system. This can overload the system, resulting in untreated wastewater being directly discharged into the environment. We have confirmed parts of the Dargaville and Mangawhai stormwater network require repairs to reduce stormwater infiltration into the wastewater network. Repairs to both the public stormwater system and privately-owned stormwater pipes and gully traps still need to be completed;
- Significant storm events overload the stormwater networks and may flood dwellings non-habitable buildings and low-lying portions of the road network, causing temporary disruptions; and
- The quantity of gross pollutants such as bottles, plastics, rubbish and hydrocarbons discharged into the natural receiving environment from the stormwater system.

Sewerage and the Treatment and Disposal of Sewage

Why we do this

For the protection of public and environmental health, through treatment of wastewater in selected areas.

For further information on how this activity contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

What we do

- Collects, treats and disposes of wastewater through sustainable, cost-effective and environmentally friendly methods.
- Owns and operates wastewater schemes for: Glinks Gully, Te Kopuru, Dargaville, Maungaturoto, Kaiwaka and Mangawhai; and
- Undertakes asset management, planning, operation and maintenance of the wastewater schemes, capital and refurbishment programmes and consent monitoring and compliance, along with responsibility of professional and physical works undertaken on the network.

How this benefits the community

- We provide and maintain infrastructure that supports the economy of the area. We will ensure that people who are able to will be connected to Council schemes;
- We are intent on lifting Kaipara district's well-being by providing infrastructure where people live close together, which protects the health of both the community and the environment; and
- We will protect and enhance our natural assets and open spaces by ensuring we meet our compliance with the discharge consents.

Risks and issues

- Failure of a scheme due to the age of the assets, and the inaccessibility for inspections (pipes are underground so are difficult to locate and inspect adequately);
- Affordability, the cost to repair and provide service with aging pipes coupled with relatively small communities served by a scheme can push the expenses (and rates) out of reach for communities;
- If the trend toward higher environmental standards for discharge consents (treated wastewater released into harbours or rivers) continues, it may become unreasonable to expect communities to front the costs of upgrading equipment or services to meet the standards;
- The Mangawhai Community Wastewater Scheme (MCWWS) will reach capacity by 2030 if the 'minimum approach upgrade' is taken;
- Committing relatively large expenditure to upgrade the MCWWS may expose Council in the event of a significant downturn in the economy and resulting low growth;

- As part of the ongoing longer term planning for the scheme, investigations of future disposal options to provide additional disposal capacity will be undertaken concurrently and a preferred option recommended to Council for approval. This is to ensure that a future disposal facility is identified well before it is required and any associated resource consents can be acquired to authorise the preferred disposal. Technical investigations to support a consent variation to authorise an increase in the land application rate at the existing farm are currently being progressed. If successful, this would defer the need for an additional disposal system in the future; and
- The exact capacity of the five other wastewater schemes is unknown until specific capacity analyses (modelling) are undertaken.

How the service is funded

- Targeted rates;
- Development contributions;
- User fees and charges;
- Borrowing;
- Asset sales; and
- General rate.

Improvement Programme 2018/2028 - Sewerage and the Treatment and Disposal of Sewage

Year 1- 2018/2019

Planned improvement / change

- Develop a central database and geospatial framework for condition assessment information and generate renewal programme from the system;
- Provide a central management software system for consents, compliance and monitoring to replace the manual system;
- Continue the data cleansing project to improve our knowledge of our assets (including asset lives to aid renewal planning);
- Wastewater Modelling (Dargaville, Maungaturoto). Scoping exercise to determine needs and level of detail required for development of hydraulic model;
- Continue the MCWWS resource consent variation application;
- Extend the MCWWS irrigation system;
- Upgrade the MCWWS existing reticulation and pump stations; and
- Upgrade the MCWWS treatment plant.

Improvement Programme 2018/2028 - Sewerage and the Treatment and Disposal of Sewage

<p>Year 2 - 2019/2020 Planned improvement / change</p>	<ul style="list-style-type: none"> • Continue development of a central database and geospatial framework for condition assessment information and generate renewal programme from the system; • Complete the data cleansing project to reduce the number of unknown asset attributes (including asset lives to aid renewal planning); • Wastewater Modelling (Kaiwaka). Scoping exercise to determine needs and level of detail required for development of hydraulic model; • Wastewater Modelling (Dargaville, Maungaturoto and Kaiwaka). Develop, test and implement hydraulic model to identify capacity issues, optimisation of pumping stations, manage growth; • Commence the desludging of the Dargaville Wastewater Oxidation Pond; • Complete the upgrade of the MCWWS existing reticulation system and pump stations; and • Complete the upgrade of the MCWWS treatment plant.
<p>Year 3 - 2020/2021 Planned improvement / change</p>	<ul style="list-style-type: none"> • Complete the central database and geospatial framework for condition assessment information and generate renewal programme from the system; • Wastewater Modelling (Kaiwaka). Development of hydraulic model to identify capacity issues, optimisation of pumping stations, manage growth; • Complete the desludging of the Dargaville Wastewater Oxidation Pond; and • Commence the extension of the MCWWS reticulation system (ME3).
<p>Years 4-10 - 2021/2028 Planned improvement / change</p>	<ul style="list-style-type: none"> • Review and refine Wastewater Models (Dargaville, Maungaturoto and Kaiwaka); and • Continue the extension of the MCWWS reticulation system.

Funding Impact Statement -- Sewerage and the Treatment and Disposal of Sewage Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	2,050	1,337	1,346	1,412	1,490	823	892	949	1,032	1,096	1,207
Targeted rates	5,463	6,151	6,369	6,332	6,362	6,744	7,244	7,548	7,763	8,333	8,680
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	9	9	10	10	10	10	11	11	11	11	12
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	7,522	7,497	7,725	7,754	7,862	7,577	8,147	8,508	8,806	9,440	9,899
Application of operating funding											
Payments to staff and suppliers	2,237	2,449	3,138	2,949	1,856	1,904	2,047	2,076	2,156	2,409	2,493
Finance costs	2,860	2,584	2,493	2,593	2,693	2,779	2,886	2,856	2,933	2,985	3,156
Internal charges and overheads applied	961	1,176	1,405	1,363	1,043	1,076	1,135	1,156	1,195	1,286	1,328
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	6,058	6,209	7,036	6,905	5,592	5,759	6,068	6,088	6,284	6,680	6,977
Surplus (deficit) of operating funding	1,464	1,288	689	849	2,270	1,818	2,079	2,420	2,522	2,760	2,922

Funding Impact Statement - Sewerage and the Treatment and Disposal of Sewage - Capital

For the year ended:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	350	1,885	1,909	2,436	2,413	2,409	2,409	2,409	2,409	2,409	2,235
Increase (decrease) in debt	-720	-71	-1,052	-1,082	-1,209	-570	-578	-449	152	-54	-817
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	-370	1,814	857	1,354	1,204	1,839	1,831	1,960	2,561	2,355	1,418
Applications of capital funding											
Capital expenditure											
- to meet additional demand	521	1,915	1,553	1,772	1,814	2,463	2,525	480	2,272	2,790	2,868
Capital expenditure											
- to improve the level of service	94	748	895	420	553	301	59	159	756	624	16
Capital expenditure											
- to replace existing assets	519	1,041	634	414	489	549	1,163	1,134	1,267	1,292	1,286
Increase (decrease) in reserves	-41	-602	-1,536	-403	618	344	163	2,607	788	409	170
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	1,093	3,102	1,546	2,203	3,474	3,657	3,910	4,380	5,083	5,115	4,340
Surplus (deficit) of capital funding	-1,464	-1,288	-689	-849	-2,270	-1,818	-2,079	-2,420	-2,522	-2,760	-2,922
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Capital Expenditure Programme - Sewerage and the Treatment and Disposal of Sewage

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
Sewerage and the Treatment and Disposal of Sewage	3,703,500	3,082,645	2,606,233
165 - Te Kopuru Wastewater Scheme	2,500	12,813	34,079
Environmental compliance	✓	✓	✓
Reticulation			✓
Treatment Plant modifications		✓	✓
202 - Dargaville Wastewater Scheme	1,241,000	867,150	684,719
Environmental compliance	✓	✓	✓
Pipe Renewal from condition assessment	✓	✓	✓
PS1/PS2 Rising main from pump station 2 to Pump station 1	✓		
Pump stations and rising mains	✓	✓	✓
Pump stations 1 and 2 upgrade	✓	✓	✓
Safety grills pump stations		✓	✓
Treatment		✓	
207 - Mangawhai Wastewater Scheme	45,000	46,125	47,186
Renewals including pump stations	✓	✓	✓
219 - Kaiwaka Wastewater Scheme	152,500	166,563	13,107
Environmental compliance	✓	✓	✓
Pipe Renewals from condition assessment	✓	✓	
Pump Stations SCADA upgrade		✓	✓

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
Sewerage and the Treatment and Disposal of Sewage	3,703,500	3,082,645	2,606,233
232 - Maungaturoto Wastewater Scheme	72,500	103,995	44,564
Environmental compliance	✓	✓	✓
Pump stations and rising mains			✓
Reticulation		✓	
Safety grills on pump stations		✓	
Treatment	✓	✓	
253 - Glinks Gully Wastewater Scheme	0	0	10,486
Pump stations and rising mains			✓
280 - Mangawhai Wastewater Scheme	2,190,000	1,886,000	1,772,092
Additional capacity for growth- Council contribution	✓	✓	✓
Extend irrigation system	✓		
Extend reticulation (8 years)			✓
Upgrade existing reticulation	✓	✓	
Upgrade WWTP	✓	✓	

Measuring Performance - Sewerage and the Treatment and Disposal of Sewage

What Council measures	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
The number of dry weather sewage overflows from Council's <i>sewerage systems</i> , expressed per 1,000 sewerage connections to that sewerage system. The resource consent provides for severe weather events and power failure exceptions.	≤1	≤1	≤1	≤1
Where Council attends to sewage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times apply: Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site. (Department of Internal Affairs measure)	≤2 hours	≤2 hours	≤2 hours	≤2 hours
Where Council attends to sewage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times apply: Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	≤48 hours	≤48 hours	≤48 hours	≤48 hours
The total number of complaints received by Council about sewage odour. Expressed per 1,000 sewerage connections.	≤10	≤10	≤10	≤10
The total number of complaints received by Council about sewerage system faults e.g. blockages, breaks. Expressed per 1,000 sewerage connections. (Department of Internal Affairs measure)	≤27	≤27	≤27	≤27
The total number of complaints received by Council about Council's response to issues with its sewerage system. Expressed per 1,000 sewerage connections. (Department of Internal Affairs measure)	≤50	≤48	≤46	≤44
The number of: abatement notices, infringement notices, enforcement orders and convictions received by Council in relation to its resource consents for discharge from its sewerage systems.	0	0	0	0

What Council measures	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
Major capital projects are completed within budget.	Achieved	Achieved	Achieved	Achieved

Significant negative effects - Sewerage and the Treatment and Disposal of Sewage

- In case of failure or significant breakage, there could be contamination of public waterways which may have large environmental or personal health issues;
- As a number of community populations stay static, the rising cost of ongoing maintenance or pipe renewal may become economically unrealistic; and
- Failure of a wastewater treatment plant (WTP) in meeting the resource consent may result in Northland Regional Council (NRC) issuing an infringement notice.

Flood Protection and Control Works

Why we do this

We protect people and property from flooding caused by severe weather events. Historically, this work was done through drainage boards. Only the Raupo Drainage District continues under a similar model. Responsibilities are mixed between Kaipara District Council and Northland Regional Council (NRC). We chose to continue with drainage districts in some areas in addition to Raupo and areas managed by NRC.

For further information on how this activity contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

What we do

We are conscious that we need to keep climate change in mind as we maintain and develop our flood protection and control activities. Climate change means more flooding from extreme weather events and rises in sea levels, affecting not just coastal areas but also our rivers and other waterways. The results of heavy rains can put people, property, infrastructure and roads at risk. Our assets are designed for the long term, and climate change means we will have to consider how best to manage our needs against costs.

- Flood protection and control works covering flood control schemes, river alignment control and land drainage. We co-ordinate land drainage work in 30 drainage districts of various sizes. These include Kaihu Valley and Mangatara Drainage Districts, both of which discharge into the Kaihu River which is administered by NRC. The largest district is the Raupo Drainage District where we provide administrative and technical support;
- We have reviewed the 2017 NRC Draft Regional Policy Statement and will assess how the draft coastal flood maps will affect Kaipara district;
- We maintain the current capacity of the land drainage network with:
 - weed spraying;
 - drain clearance;
 - floodgate and outlet maintenance in all districts;
 - floodgate and stopbank maintenance in Raupo; and
 - discretionary stopbank maintenance for the remaining districts.
- Provide flood protection through various drainage system stopbanks and floodgates;
- Monitor rivers for tidal and stormwater levels during weather events and warn of potential flooding;

- Drains have the capacity so floodwater recedes within three tidal cycles, the design Average Recurrence Interval (ARI) for rural areas is 10%;
- Stopbanks are 2.6m above Mean Sea Level, leaving 0.5m above extreme high tide for Raupo;
- Raupo Drainage Committee, a formal committee of this Council, is in place to perform delegated functions;
- All flood protection activities outside Raupo are administered by informal community committees supported, where practical, by our Land Drainage Co-ordinator. Landowners are responsible for maintaining privately-owned stopbanks; and
- NRC is responsible for catchment management.

How this benefits the community

- Our flood protection and control works are designed to protect people, property and infrastructure from flooding and tidal flows;
- Protecting productive land and infrastructure are critical to our economic well-being; and
- We protect and enhance our natural assets and open spaces.

Risks and issues

- We do not know whether current Levels of Service (LOS) meet the minimum standard;
- Climate change presents multiple risks, from rising sea levels to reflecting impacts in future LOS;
- Objections from targeted ratepayers who feel they are not realising benefits;
- Dissatisfaction, as not all landowners contribute;
- Landowners hampering access to public drains on private land; and
- Some overlap and confusion on the respective roles of our Council and NRC for land drainage.

How we fund this service

- General rates;
- Targeted rates; and
- Fees and charges.

Improvement programme 2018/2028 - Flood Protection and Control Works

<p>Year 1 – 2018/2019 Planned improvement / change</p>	<ul style="list-style-type: none"> • Develop a central database and Geographic Information Systems (GIS) mapping for condition assessment information and generate a renewal programme; • Replace the manual system for consents, compliance and monitoring with a central management software system; • Develop hydraulic computer models for the Raupo Drainage District to better prepare this area for climate change and sea level rise; • Continue assessments of floodgates within target areas such as Raupo and Dargaville; • Assess existing stopbanks, levels and conditions to help prepare for climate change and sea level rise; • Assess existing drainage districts and identify possible reductions or amalgamations; and • Assess the current drainage district boundaries and identify if these are still accurate, with adjustment as required.
<p>Year 2 – 2019/2020 Planned improvement / change</p>	<ul style="list-style-type: none"> • Continue development of a central database and Geographic Information Systems (GIS) mapping for condition assessment information and generate a renewal programme; • Continue assessing floodgates within target areas such as Raupo and Dargaville; • Continue assessing existing stopbanks, levels and conditions to help prepare for climate change and sea level rise; • Assess existing drainage districts and identify possible reductions or amalgamations; and • Where required, hydraulic analysis of specific catchments to assess future upgrades to existing flood protection systems.
<p>Year 3 – 2020/2021 Planned improvement / change</p>	<ul style="list-style-type: none"> • Continue assessing floodgates within target areas such as Raupo and Dargaville; • Continue assessing existing stopbanks, levels and conditions to help prepare for climate change and sea level rise; • Drainage districts identified for reduction/amalgamation to be prepared and processed for the next AMP update; • Where required, hydraulic analysis of specific catchments to assess future upgrades to existing flood protection systems; and • Identified actions from hydraulic assessments to be processed into lists and associated costs prepared for next AMP update.

Improvement programme 2018/2028 - Flood Protection and Control Works**Years 4-10 – 2021/2028****Planned improvement / change**

- Continue assess floodgates within target areas such as Raupo and Dargaville;
- Continue assessing existing stopbanks, levels and conditions to help prepare for climate change and sea level rise;
- Assess existing drainage districts and identify possible reductions/amalgamations;
- Where required, hydraulic analysis of specific catchments to assess future upgrades to existing flood protection systems; and
- Approve and start projects to prepare drainage districts for climate change and sea level rise, including raising stopbanks and other flood protection measures.

Funding Impact Statement - Flood Protection and Control Works - Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	15	48	48	82	84	86	89	91	93	96	99
Targeted rates	639	699	696	624	631	711	681	712	837	755	928
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	8	8	8	8	9	9	9	9	10	10	10
Internal charges and overheads recovered	4	4	4	4	5	5	5	5	5	5	5
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	666	759	757	718	729	811	784	817	945	866	1,042
Application of operating funding											
Payments to staff and suppliers	367	465	474	439	451	483	455	482	508	520	559
Finance costs	0	0	2	2	2	2	2	2	2	2	2
Internal charges and overheads applied	75	94	96	93	95	100	98	102	106	109	115
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	442	559	572	534	548	585	555	586	616	631	676
Surplus (deficit) of operating funding	224	200	185	184	180	226	228	231	329	235	366

Funding Impact Statement - Flood Protection and Control Works - Capital

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	32	16	-2	-2	-2	-2	-2	-2	-2	-3
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	0	32	16	-2	-3						
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure											
- to improve the level of service	170	0	0	0	0	0	0	0	0	0	127
Capital expenditure											
- to replace existing assets	232	159	133	58	53	98	101	103	202	108	111
Increase (decrease) in reserves	-178	73	68	124	125	126	126	126	125	125	125
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	224	232	201	182	178	224	227	229	327	233	363
Surplus (deficit) of capital funding	-224	-200	-185	-184	-180	-226	-228	-231	-329	-235	-366
Funding Balance	0										

Capital Expenditure Programme - Flood Protection and Control Works

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
Flood Protection and Control Works	158,500	132,860	57,503
109 - Land Drainage - district-wide	30,000	30,660	31,365
Land Drainage Improvements			✓
LD General Sunnynook		✓	
LD General Beach Road	✓		
179 - Raupo Land Drainage Scheme	128,500	102,200	26,138
Bellamy Floodgate 48		✓	
Double Gate Floodgate 44		✓	
McKinley Floodgate 29	✓		
NorthAsh Floodgate 36	✓		
Whitcombe Road Floodgate 13			✓

Measuring performance - Flood Protection and Control Works

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
The number of flood events not contained by the drainage schemes up to a 1:5 year flood.	0	0	0	0
Service requests for additional cleaning of drains i.e. missed by the monitoring and maintenance programmes.	< 5 service requests per year			
Biannual inspection of our drainage network to ensure it can contain a 1:5-year flood.	2 inspections per year			
Targeted maintenance of the stopbank system in the Raupo Drainage District to prevent tidal flows from inundating private property during high tide and/or when the river is in flood.	Minimum yearly inspections and targeted maintenance completed			

Significant negative effects - Flood Protection and Control Works

- A lack of drainage networks or maintenance on the existing network could result in increased flooding of farming and cropping communities in low-lying land near rivers, streams and canals; and
- The frequency of significant storm events and rainfall intensities are expected to increase along with sea levels in the future.

Solid Waste

Why we do this

We deliver refuse collection and disposal service that meets our statutory obligations and meets community needs. It is affordable, hygienic and environmentally sustainable, contributing to our well-being, and protecting and enhancing our natural assets and open spaces.

For further information on how this activity contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

What we do

- Kerbside refuse bag collection in urban areas and at appointed collection sites in rural areas;
- Recycling collection in key urban areas;
- Provide two transfer stations for general waste and recycling disposal;
- Provide public litterbins;
- Clear illegally dumped rubbish (often referred to as ‘fly tipping’);
- Remove abandoned vehicles;
- Support waste minimisation initiatives; and
- Monitor, maintain and manage several closed landfills.

How this benefits the community

- The decisions we make on managing solid waste directly affect our communities and our environment. We focus on delivering a seamless, affordable and hygienic rubbish collection service balanced against environmental goals of waste minimisation and reducing waste to landfill as described in our Waste Management and Minimisation Plan 2017;
- Our refuse collection and disposal services include:
 - weekly kerbside recycling in key urban areas from Mangawhai to Dargaville litterbins;
 - transfer stations at Hakaru and Dargaville; and
 - recycling drop-offs at our two transfer stations.
- We manage leachate pollution from historic landfills to protect environmental quality; and
- Closed landfill activities comply with the legislation.

Risks and issues

- If the Government subsidy, in the form of the Waste Minimisation Levy, reduces, recycling would need to be funded from general or targeted rates;
- Leachate produced from refuse activity is an ongoing risk; and
- Our service response does not meet customer expectations.

How we fund this service

- General rates;
- Fees and charges;
- Financial contributions;
- Borrowing;
- Asset sales; and
- Lump sum contributions.

Improvement programme 2018/2028 - Solid Waste	
Year 1 – 2018/2019 Planned improvement / change	<ul style="list-style-type: none"> • Determine community interest in additional/rural drop-off locations for recycling; • Investigate delivery of a district-wide rate-funded recycling collection in consultation with the community; and • Implement preferred option for leachate disposal at Hakaru Closed Landfill.
Year 2 – 2019/2020 Planned improvement / change	<ul style="list-style-type: none"> • Contract 706 expires in November 2019 when we will put a new, improved contract out to tender; and • Complete consent compliance requirements for Dargaville Closed Landfill.
Year 3 – 2020/2021 Planned improvement / change	<ul style="list-style-type: none"> • Investigate options for improving/upgrading transfer stations to better enable waste diversion; and • With the completion of all works related to consents, create a database for solid waste-related physical assets and their condition ratings.
Years 4-10 – 2021/2028 Planned improvement / change	<ul style="list-style-type: none"> • Continue to promote and create waste awareness, reduction, minimisation, re-use and recycling; and • Ongoing investigations of recycling markets and ways to expand on materials currently recycled.

Funding Impact Statement - Solid Waste -Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	1,154	1,247	1,296	1,115	1,137	1,164	1,192	1,222	1,251	1,275	1,320
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	79	79	80	83	84	86	88	91	94	95	99
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	1,233	1,326	1,376	1,198	1,221	1,250	1,280	1,313	1,345	1,370	1,419
Application of operating funding											
Payments to staff and suppliers	680	865	885	736	748	765	784	803	824	845	867
Finance costs	23	21	19	18	17	16	14	12	10	8	7
Internal charges and overheads applied	239	145	152	123	126	129	132	136	139	145	152
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	942	1,031	1,056	877	891	910	930	951	973	998	1,026
Surplus (deficit) of operating funding	291	295	320	321	330	340	350	362	372	372	393

Funding Impact Statement - Solid Waste - Capital

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-35	-37	-39	-33	-36	-38	-41	-45	-47	-32	-27
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	-35	-37	-39	-33	-36	-38	-41	-45	-47	-32	-27
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure											
- to improve the level of service	600	800	0	0	0	0	0	0	0	730	0
Capital expenditure											
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	-344	-542	281	288	294	302	309	317	325	-390	366
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	256	258	281	288	294	302	309	317	325	340	366
Surplus (deficit) of capital funding	-291	-295	-320	-321	-330	-340	-350	-362	-372	-372	-393
Funding Balance	0										

Capital Expenditure Programme - Solid Waste

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
Solid Waste	800,000	0	0
227 - District Closed Landfills	800,000	0	0
Awakino capping	✓		
Hakaru leachate	✓		

Measuring Performance - Solid Waste

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
Percentage of residents who are very satisfied or satisfied with waste management.	75%	75%	75%	75%
Total amount of recycling (diverted from landfill) as a percentage of total waste collected.	1% more than previous year.			
Closed landfill activities meet legislative compliance. No resource consent abatement notices, infringement notices, enforcement orders or convictions.	0	0	0	0

Significant negative effects - Solid Waste

- Where solid waste activity is not done correctly it can result in odours, pests and loose refuse from uncollected rubbish;
- Leachate production at landfills is a significant negative effect which can pollute the natural environment if left unmanaged; and
- In rural areas, household rubbish is not always placed in approved collection bags (illegal dumping). Where possible, we mitigate this with bylaws and infringement notices.

Community Activities

- Reserves and open space
- Community planning
- Libraries
- Pensioner housing
- Northern Wairoa War Memorial Hall

Why we do this

We provide community planning, libraries, a hall and pensioner housing to contribute to our social well-being and pride, providing neutral spaces open to all and enabling our community to come together. We support community involvement in outdoor activities, creating partnerships to provide sport recreation facilities that are fit for purpose. Financial contributions from developers mean we have a healthy fund that enables us to invest in more park development.

For further information on how this Group of Activities contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

What we do

Reserves and open space

- Actively maintain 100 parks and reserves throughout Kaipara district. Within our Council-owned parks and reserves, we operate five cemeteries, of which four are active. We also support community-run cemeteries;
- Provide 28 public toilets within civic areas and reserves across Kaipara district; and
- Community-run and Kai Iwi Lakes camp grounds are included in our parks and reserves portfolio.

Community planning

- Deliver the Community Assistance Policy including grants, Contract for Service (CfS), Licence to Occupy (LTO) and the Mangawhai Endowment Lands Account (MELA);
- Develop community plans, including distribution of our Community Development Fund; and
- Support local events that bring people into the district by facilitating and promoting a Kaipara district calendar.

Libraries

- One public library, situated in Dargaville, that provides traditional library lending services, music, DVDs, computers, printing, Wi-Fi, events, holiday programmes and literacy initiatives;
- All Kaipara district library members have online free access to e-books, e-audio, e-magazines, online Britannica, Generosity NZ funding search and their library account;
- Assistance to four volunteer community libraries in Paparoa, Maungaturoto, Kaiwaka and Mangawhai. This is documented under the Community Assistance Policy (CfS) in the Community Planning sub-activity; and
- All libraries share a catalogue and computer system with training and support provided by Dargaville Library and our IT team.

Pensioner housing

- We own three pensioner housing villages in Dargaville, Ruawai and Mangawhai. Pensioner housing is targeted for people over the age of 55 who meet certain criteria, including the capability of living independently. The Dargaville Community Development Board manages the Dargaville and Ruawai pensioner housing and a contractor manages the Mangawhai pensioner housing.

Northern Wairoa War Memorial Hall

- We own and manage one hall, the Northern Wairoa War Memorial Hall (also called the Dargaville Town Hall).

How this benefits the community***Reserves and open spaces***

- Public ownership of parks and reserves protects and enhances our natural assets and open spaces;
- Protecting and enhancing access to our natural assets and open spaces e.g. car parking and boat ramps;
- Opportunities for community organisations to lease reserve land for public benefit, and develop and manage community facilities;
- Maintenance levels are set according to the type of reserve and level of use;
- Public toilets are provided in areas of high demand and/or sensitive environments e.g. boat ramps and playgrounds; and
- Public toilets that are compliant and fit for purpose.

Community planning

- Our community advisors work with the community to encourage their involvement in developing their local place. This includes funding for volunteer groups, facilitating community projects and working with the community to develop Council parks and open spaces, and manage community facilities;
- We help recognise and support community achievements;
- Delivering the Community Assistance Policy (this activity is discretionary for Council);
- Community Development Fund distributed through Community Planning, recorded, reported and within budget; and
- Ensure community ownership and engagement through community planning, structure planning and spatial planning.

Libraries

- We provide library services across Kaipara district which are welcoming and results in strong communities;
- Our public library in Dargaville supports our four community libraries.

Pensioner housing

- Council-owned pensioner housing. This is a legacy from past central government funding to encourage councils to provide pensioner housing;
- Compliance with the Housing New Zealand Memorandum of Understanding (MoU) for the management (not necessarily by Council) of Dargaville, Ruawai and Mangawhai pensioner housing.

Northern Wairoa War Memorial Hall

- We own and manage the Northern Wairoa War Memorial Hall in Dargaville.

Risks and issues***Reserves and open spaces***

- There is a perception of surplus capacity in some areas and under-supply in growth areas;
- We rely on community-owned and/or managed sports parks. The only Council-owned and managed facility is Memorial Park in Dargaville; and
- Community volunteers play a big role in the care and development of our parks and reserves. The new Health and Safety at Work Act 2015 may add additional cost to services done by volunteers and may affect the amount of work they can do.

Community planning

- There are always more grants than funds available and this results in continued rejections, including the welfare and social services areas which do not fit our criteria. The risk is community dissatisfaction over the lack of funds and rejection, resulting in lobbying Council outside the grants system to get funds. Transparency and having an equal playing field are lost, and favouritism of groups who know how to work the system returns; and
- Financial support for community planning is limited, so work is prioritised against community priorities and outcomes.

Libraries

- We have uneven service levels across Kaipara district with only one Council-provided library (in Dargaville). There is a risk of community backlash if any service levels are reduced e.g. events.

Pensioner housing

- Inventory is aging; and
- Many councils no longer see this as core Council operations.

Northern Wairoa War Memorial Hall

- The Municipal Building, used as part of the adjacent and joined Northern Wairoa War Memorial Hall, needs earthquake strengthening.

How we fund this service

- General rates;
- Targeted rates;
- Fees and charges;
- Grants, subsidies and other funding sources;
- Financial contributions;
- Borrowing; and
- Asset sales.

Improvement programme 2018/2028 – Reserves and open spaces

<p>Year 1 – 2018/2019 Planned improvement / change</p>	<ul style="list-style-type: none"> • Deliver capital projects with funding consistent with the Reserve Contribution Policy; • Deliver a programme of works in partnership with Taharoa Domain, Mangawhai Community Park and Pou Tu Te Rangī Harding Park Governance Committees; • Deliver a reserves carpark/accessway renewal programme; • Ensure all wastewater systems (toilets and camp grounds) are compliant and fit for purpose; • Deliver the toilet renewal programme; • Deliver agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide; • Deliver the Walking and Cycling Strategy: <ul style="list-style-type: none"> ◦ Set up a governance structure, do detailed design and seek consents for the Kaihu Valley Rail Trail; ◦ Improve maintenance and promotion of existing walkways; and ◦ Continue to develop the Mangawhai Heads-to-Mangawhai Village all-tide coastal walkway. • Deliver the Reserves and Open Space Asset Management Improvement Plan; and • Ongoing review of service levels and consequential contract amendments.
<p>Year 2 – 2019/2020 Planned improvement / change</p>	<ul style="list-style-type: none"> • Deliver the capital works programme funding consistent with the Reserve Contribution Policy; • Deliver a programme of works in partnership with Taharoa Domain, Mangawhai Community Park and Pou Tu Te Rangī Harding Park Governance Committees; • Deliver a reserves carpark/accessway renewal programme; • Ensure all wastewater systems (toilets and camp grounds) are compliant and fit for purpose; • Deliver the toilet renewal programme; • Implement the agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide; • Deliver the Walking and Cycling Strategy: <ul style="list-style-type: none"> ◦ Develop, promote and manage the Kaihu Valley Rail Trail; and

Improvement programme 2018/2028 – Reserves and open spaces

	<ul style="list-style-type: none"> ◦ Continue developing the Mangawhai Heads-to-Mangawhai Village all-tide coastal walkway. • Deliver the Reserves and Open Space Asset Management Improvement Plan; and • Ongoing review of service levels and consequential contract amendments.
<p>Year 3 – 2020/2021 Planned improvement / change</p>	<ul style="list-style-type: none"> • Deliver the capital works programme funding consistent with the Reserve Contribution Policy; • Develop a programme of works in partnership with Taharoa Domain, Mangawhai Community Park and Pou Tu Te Rangi Harding Park Governance Committees; • Implement a reserves carpark/accessway renewal programme; • Deliver the toilet renewal programme; • Implement the agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide; • Deliver the Walking and Cycling Strategy: <ul style="list-style-type: none"> ◦ Develop, promote and manage the Kaihu Valley Rail Trail; and ◦ Continue developing the Mangawhai Heads-to-Mangawhai Village all-tide coastal walkway. • Deliver the Reserves and Open Space Asset Management Improvement Plan; • Ongoing review of service levels and consequential contract amendments; and • Implement the Community Assistance Policy.
<p>Years 4-10 – 2021/2028 Planned improvement / change</p>	<ul style="list-style-type: none"> • Deliver the capital works programme funding consistent with the Reserve Contribution Policy; • Implement agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide; • Deliver the Walking and Cycling Strategy; • Implement the Reserves and Open Space Asset Management Improvement Plan; and • Deliver a programme of works in partnership with Taharoa Domain, Mangawhai Community Park and Pou Tu Te Rangi Harding Park Governance Committees.

Improvement programme 2018/2028 – Community Team

Year 1 – 2018/2019 Planned improvement / change	<ul style="list-style-type: none"> • Investigate options for developing and building a Community Hub for Dargaville; • Deliver agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide; • Deliver the Community Assistance Policy consistent with our agreed focus; • Continue developing community action plans and supporting communities to implement identified projects; and • Work with the community to facilitate a calendar of events across the Kaipara district.
Year 2 – 2019/2020 Planned improvement / change	<ul style="list-style-type: none"> • Implement the agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide; • Deliver the Community Assistance Policy consistent with our agreed focus; and • Continue developing community action plans and supporting communities to implement identified projects.
Year 3 – 2020/2021 Planned improvement / change	<ul style="list-style-type: none"> • Implement the agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide; • Implement the Community Assistance Policy.
Years 4-10 – 2021/2028 Planned improvement / change	<ul style="list-style-type: none"> • Implement agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide; • Implement the Community Assistance Policy.

Improvement Programme 2018/2028 – Libraries

Year 1 – 2018/2019 Planned improvement / change	<ul style="list-style-type: none"> • A modern library environment is to be included as part of investigations into the Community Hub for Dargaville; • Support community libraries to improve and develop their services; • Offer programmes at community libraries; • Implement RFID (self-checkout) in Dargaville; • Work towards reciprocal free membership between Kaipara and Whangarei libraries; and • Investigate co-operative initiatives with other Northland libraries.
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Improvement Programme 2018/2028 – Libraries

<p>Year 2 – 2019/2020 Planned improvement / change</p>	<ul style="list-style-type: none"> • Investigate a branch library with paid staff in southern Kaipara district; • Offer reciprocal free membership between Kaipara and Whangarei libraries; • Continue supporting community libraries to improve and develop their services; • Develop a “floating collection” between the libraries; and • Develop “one card for Kaipara” across libraries.
<p>Year 3 – 2020/2021 Planned improvement / change</p>	<ul style="list-style-type: none"> • Provide new programmes and services in Dargaville to fully utilise new space; • Implement “floating collection” between participating Kaipara district libraries; • Implement “one card for Kaipara” across libraries; • Open branch library with paid staff in southern Kaipara district; and • Review libraries opening hours.
<p>Years 4-10 – 2021/2028 Planned improvement / change</p>	<ul style="list-style-type: none"> • Develop a digitisation programme for local heritage; • Employ a librarian one day a week at each community library; • Keep up-to-date with new technologies and develop services to meet community needs; • Work with stakeholders and partners to develop new programmes and services; and • Investigate funding partnerships that offer services to library users.

Improvement programme 2018/2028 – Pensioner housing

<p>Year 1 – 2018/2019 Planned improvement / change</p>	<ul style="list-style-type: none"> • Development/further analysis of Mangawhai pensioner housing units’ long term options; and • Review management of pensioner housing.
<p>Year 2 – 2019/2020 Planned improvement / change</p>	<ul style="list-style-type: none"> • Deliver selected long term option for Mangawhai pensioner housing units: <ul style="list-style-type: none"> ◦ Implement a property maintenance strategy.

Improvement programme 2018/2028 – Pensioner housing

Year 3 – 2020/2021 Planned improvement / change	<ul style="list-style-type: none"> • Continue long term option for Mangawhai pensioner housing units.
Years 4-10 – 2021/2028 Planned improvement / change	<ul style="list-style-type: none"> • Complete long term option for Mangawhai pensioner housing units.

Improvement programme 2018/2028 – Northern Wairoa War Memorial Hall

Year 1 – 2018/2019 Planned improvement / change	<ul style="list-style-type: none"> • Northern Wairoa War Memorial Hall (Dargaville Hall): <ul style="list-style-type: none"> ◦ Making the hall weathertight, fixing affected areas; and ◦ Implement a property maintenance strategy.
Year 2 – 2019/2020 Planned improvement / change	<ul style="list-style-type: none"> • Deliver Northern Wairoa War Memorial Hall (Dargaville Hall) /Municipal Building property maintenance strategy.
Year 3 – 2020/2021 Planned improvement / change	<ul style="list-style-type: none"> • Deliver Northern Wairoa War Memorial Hall (Dargaville Hall) /Municipal Building property maintenance strategy.
Years 4-10 – 2021/2028 Planned improvement / change	<ul style="list-style-type: none"> • Deliver Northern Wairoa War Memorial Hall (Dargaville Hall) /Municipal Building property maintenance strategy.

Funding Impact Statement - Community Activities - Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	3,450	3,864	4,243	4,604	4,543	4,666	4,760	4,845	4,972	5,081	5,201
Targeted rates	282	314	322	331	339	348	356	364	373	381	389
Subsidies and grants for operating purposes	50	43	43	43	43	43	43	43	43	43	43
Fees and charges	852	996	1,021	1,048	1,075	1,099	1,130	1,156	1,164	1,191	1,223
Internal charges and overheads recovered	313	428	460	499	513	525	537	548	561	574	588
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	4,947	5,645	6,089	6,525	6,513	6,681	6,826	6,956	7,111	7,270	7,444
Application of operating funding											
Payments to staff and suppliers	3,823	4,265	4,490	4,770	4,870	4,971	5,077	5,173	5,287	5,404	5,532
Finance costs	55	50	44	48	54	60	58	54	51	47	43
Internal charges and overheads applied	788	1,068	1,141	1,234	1,264	1,296	1,325	1,349	1,380	1,411	1,445
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	4,666	5,383	5,675	6,052	6,188	6,327	6,460	6,576	6,718	6,862	7,020
Surplus (deficit) of operating funding	281	262	414	473	325	354	366	380	393	408	424

Funding Impact Statement - Community Activities - Capital

For the year ended:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	500	500	510	521	532	543	445	341	233	119	0
Increase (decrease) in debt	-105	-80	52	47	90	-78	-84	-91	-99	-105	-113
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	395	420	562	568	622	465	361	250	134	14	-113
Applications of capital funding											
Capital expenditure											
- to meet additional demand	437	1,397	1,243	703	765	326	167	171	175	179	184
Capital expenditure											
- to improve the level of service	1,065	370	516	527	553	337	256	262	151	155	159
Capital expenditure											
- to replace existing assets	333	190	352	337	216	221	142	145	149	153	157
Increase (decrease) in reserves	-1,159	-1,275	-1,135	-527	-587	-65	162	52	52	-65	-189
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	676	682	976	1,041	947	819	727	630	527	422	311
Surplus (deficit) of capital funding	-281	-262	-414	-473	-325	-354	-366	-380	-393	-408	-424
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Capital Expenditure Programme - Community Activities

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
Community Activities	1,957,217	2,110,601	1,567,823
100 - Kai Iwi Lakes - Campground	180,000	204,000	156,213
Kai Iwi Lakes Campground facilities	✓	✓	✓
114 - Development Programme	0	408,000	416,568
Wood Street - Main street redevelopment		✓	✓
122 - Mangawhai Public Toilet Amenities	150,000	153,000	0
Lincoln Street		✓	
Mangawhai Heads Road	✓		
166 - District Parks and Reserves	155,000	158,100	161,420
Baylys Beach boardwalk	✓		
Coastal structures			
Community infrastructure - district		✓	✓
Park Improvements (furniture/bollards/lighting/paths)	✓	✓	✓
Parks and Reserves - hard surface renewal programme	✓	✓	✓
Playgrounds renewals	✓	✓	✓
172 - District Public Toilet Amenities	25,000	71,400	51,030
Public toilets - renewal	✓	✓	✓
183 - Libraries	66,000	67,320	68,734
Library book replacement	✓	✓	✓
186 - Pensioner Housing - Mangawhai	24,000	2,040	2,083
Pensioner housing - Mangawhai	✓	✓	✓
194 - Mangawhai Parks and Reserves	1,067,217	750,941	409,764
Community infrastructure - Mangawhai - esplanade development	✓	✓	✓
Esplanade to Jack Boyd Drive link	✓	✓	✓
Jack Boyd Drive to Thelma Rd link	✓	✓	✓
Links through Estuary Estates	✓	✓	✓
Mangawhai coastal tracks - links to existing network	✓	✓	✓
Mangawhai Community Park - implement Master Plan	✓	✓	✓
Mangawhai Community Park - MAZ	✓		
Mangawhai Domain development	✓	✓	
Mangawhai Heads car park extension	✓		
Mangawhai Village coastal connections via loop tracks	✓		

		Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
	Pearl Street to Sellars Reserve (Heads Loop) walkway	✓	✓	
	Playground - new	✓	✓	✓
	Thelma Road to Thelma Road link	✓	✓	
209 - Taharoa Domain		100,000	102,000	104,142
	Implement Reserve Management Plan	✓	✓	✓
240 - Harding Park		100,000	102,000	104,142
	Pou Tu Te Rangi Harding Park	✓	✓	✓
249 - Dargaville Parks and Reserves		90,000	91,800	93,728
	Community infrastructure - Dargaville	✓	✓	✓
	Cycleway/walkway - implement strategy	✓	✓	✓

Measuring Performance - Community Activities

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
Zero net cost to ratepayers for our pensioner housing services. <i>Measured by:</i> Council annual budget	Zero cost	Zero cost	Zero cost	Zero cost
Pensioner housing annual occupancy rate. <i>Measured by:</i> Quarterly reporting from management agencies.	90%	90%	90%	90%
Percentage of residents who are very satisfied or satisfied with their local parks and sports fields. <i>Measured by:</i> Residents Survey	85%	86%	87%	87%
Percentage of residents who are very satisfied or satisfied with the district's public toilets. <i>Measured by:</i> Residents Survey	≥70%	≥70%	≥70%	≥70%
Compliance with parks maintenance contract specifications - monthly audits.	90%	90%	90%	90%
Parks maintenance contract: a safe working environment is provided for those delivering the service, number of health and safety audits per month.	Contractor: 4 Council: 1	Contractor: 4 Council: 1	Contractor: 4 Council: 1	Contractor: 4 Council: 1
Percentage of library users who are very satisfied or satisfied with the district's library services.	85%	85%	85%	85%

Significant negative effects - Community Activities

Reserves and open spaces can be affected by traffic, parking congestion and noise from formal and informal activities. They are mostly seasonal or limited to short periods, and are associated with holidays, events or sporting codes. We manage them under our District Plan rules, bylaws and resource consents for development projects.

Planning and Regulatory Management

Why we do this

Planning and regulatory management helps build strong, thriving communities where compliance across building, resource management and environmental health ensures safety, good processes and better health.

For further information on how this Group of Activities contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

What we do

- Planning and regulatory management including building control, resource consent management and regulatory services;
- We assess applications for consents, licences and certificates under a variety of legislation and associated regulations within specified timeframes;
- We monitor how people comply with consents and take action on infringements; and
- We must provide specific reports to various Government departments including the Department of Statistics, Ministry of Business, Innovation and Employment, Ministry for the Environment, Ministry for Primary Industries; the Medical Officer of Health (district health board), and the Department of Internal Affairs.

How this benefits the community

The decisions we make about the planning and regulatory activities described below are essential to creating strong, thriving communities.

Building control

- Retain accreditation as a Building Consent Authority (BCA);
- Provide information on request to applicants who intend to build or develop a property;
- Meet the building consent application and Code Compliance Certificate timeframes;
- Provide certification that consented buildings people visit, work and live in comply with the NZ Building Code;
- Inspect and audit buildings in compliance with regulations and take enforcement action where necessary;

Resource consent management

- Provide advice on resource consent applications for subdivisions and land use;

- Meet the resource consent application processing timeframes for non-notified consents;
- Process Land Information Memoranda (LIMs) within statutory timeframes;
- Ensure compliance with resource consent conditions; and
- Provide timely approval for granting section 224(c) certificates for new land titles.

Regulatory services

- Provide advice to food premises owners on safe food practices;
- Audit food premises for compliance with legislation;
- Provide a controlled licensing service for the sale and supply of alcohol;
- Investigate potential district plan breaches/regulatory complaints and take enforcement action where necessary; and
- Respond in a timely manner to dog, stock, noise and parking complaints.

Risks and issues

- Building and resource consent applications are at record levels requiring more staff and spend on consultants;
- Qualified team members for the building and resource consent areas are in short supply;
- Increasing development pressure on Mangawhai is leading to greater interest in resource consents and concerns regarding consent decisions;
- Complaints regarding consent decisions leading to legal challenges;
- Not meeting building and resource consent application timeframes, particularly with the increased volumes;
- Errors when processing a building or resource consent application; and
- Legislative changes leading to a shifting statutory framework including compressed processing times.

How we fund this service

- General rates;
- Fees and charges;
- Borrowing; and
- Asset sales.

Improvement programme 2018/2028 - Planning and Regulatory Management	
Year 1 – 2018/2019 Planned improvement / change	<ul style="list-style-type: none"> • Transition remaining food premises to food control plans; • Use the Food Act to establish a quality management system for the health team; • Establish a hazardous substances monitoring programme in line with new legislative requirements; • Start a register of earthquake-prone buildings; and • Continue collating the wastewater bylaw database register to check compliance.
Year 2 – 2019/2020 Planned improvement / change	<ul style="list-style-type: none"> • Continue collating the earthquake-prone buildings register; and • Continue collating and addressing the wastewater bylaw database register for compliance.
Year 3 – 2020/2021 Planned improvement / change	<ul style="list-style-type: none"> • Continue collating the earthquake-prone building register; and • Continue collating and addressing the wastewater bylaw database register to check for compliance.
Years 4-10 – 2021/2028 Planned improvement / change	<ul style="list-style-type: none"> • Investigate other online self-service systems and processing modules so we become paperless.

Funding Impact Statement - Planning and Regulatory Management - Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	1,072	1,710	1,729	1,752	1,779	1,805	1,762	1,790	1,817	1,923	1,963
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	3,675	3,481	3,555	3,629	3,705	3,787	3,874	3,962	4,059	4,155	4,259
Internal charges and overheads recovered	389	380	387	394	402	410	412	420	429	444	455
Local authorities fuel tax, fines, infringement fees and other receipts	5	5	5	5	5	5	6	6	6	6	6
Total operating funding	5,141	5,576	5,676	5,780	5,891	6,007	6,054	6,178	6,311	6,528	6,683
Application of operating funding											
Payments to staff and suppliers	4,140	4,416	4,495	4,578	4,666	4,758	4,796	4,895	5,000	5,172	5,294
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	987	1,146	1,166	1,187	1,210	1,233	1,242	1,267	1,294	1,339	1,372
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	5,127	5,562	5,661	5,765	5,876	5,991	6,038	6,162	6,294	6,511	6,666
Surplus (deficit) of operating funding	14	14	15	15	15	16	16	16	17	17	17

Funding Impact Statement - Planning and Regulatory Management - Capital

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure											
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure											
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	14	14	15	15	15	16	16	16	17	17	17
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	14	14	15	15	15	16	16	16	17	17	17
Surplus (deficit) of capital funding	-14	-14	-15	-15	-15	-16	-16	-16	-17	-17	-17
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Capital Expenditure Programme - Planning and Regulatory Management

There is no capital expenditure for this activity.

Measuring Performance - Planning and Regulatory Management

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
Percentage of building control customers who rate request for service responses as very satisfied or satisfied.	75%	76%	77%	78%
Percentage of building consents processed within 20 working days.	100%	100%	100%	100%
Percentage of illegal activity/unauthorised work complaints investigation initiated within 3 working days. <i>Measured by: Core application Overdue Service Request Report.</i>	90%	92%	94%	95%
Percentage of non-notified resource consents processed within 20 working days.	100%	100%	100%	100%
Percentage of Land Information Memorandums (LIM) processed within 10 working days.	100%	100%	100%	100%
Percentage of all new granted resource consents audited each year to ensure they comply with relevant conditions.	15%	20%	25%	25%
Percentage of s224(c) certificates for new land titles processed within 10 working days.	97%	98%	99%	100%
Percentage of food premises inspected or audited at least once per year under the Food Hygiene Regulations or Food Act.	100%	100%	100%	100%
Percentage of alcohol premises inspected at least once per year.	100%	100%	100%	100%
Percentage of resource consent complaints regarding unconsented works and non-compliance with the District Plan and resource consent investigation initiated within 5 working days.	90%	92%	94%	95%

Significant negative effects - Planning and Regulatory Management

Errors in consenting and regulatory processes could lead to problems e.g. leaky buildings, health risks at food outlets, environmental issues from poor subdivision and design, and illegal activities putting people, property, the environment, or cultural or historical treasures at risk.

District Leadership, Finance and Internal Services

Why we do this

We focus our limited resources on ensuring our governance activities help elected members make decisions. We also work with and provide services to the community relating to policies, District Plans, bylaws, annual planning and reporting together with Civil Defence Emergency Management (CDEM).

For further information on how this Group of Activities contributes to Community Outcomes please consult the Revenue and Financing Policy – Activity Analysis.

What we do

Governance, democracy and planning for growth

- We make decisions on district strategies, policies, plans and bylaws;
- We engage with tangata whenua, district communities, public interest groups and key stakeholders to identify their priorities and preferences, with the aim of helping our communities to thrive;
- We undertake civic duties such as citizenship ceremonies;
- We enable elected members to make well-informed and appropriate decisions;
- Elected members make decisions that are in the best interest of the community as a whole which are recorded and communicated to the community and other stakeholders; and
- We support democratic processes by providing administrative support, advice and information to elected members, including managing elections and matters relating to representation.

Civil Defence Emergency Management

- We are responsible for CDEM.
- We aim to educate and to raise residents' awareness in an emergency;
- In an emergency, we will operate an emergency operations centre wherever necessary. To ensure we have this capability, we run internal and external training sessions yearly. A Memorandum of Understanding (MoU) with Northland Regional Council (NRC) also gives us additional capability to manage CDEM;
- We have seven communities with Community Response Plans – Dargaville, Mangawhai, Matakoho, Maungaturoto, Paparoa, Pouto and Ruawai. These plans can be found on our website or at <http://www.nrc.govt.nz/civildefence/Community-Response-Plans/>.

Policy and district planning

- We work with the community on policies and plans to make good decisions for the future of our growing district;
- We monitor, develop and review the district plan to ensure that it is legally compliant, including plan changes;
- We give effect to the regional policy statement through the District Plan provisions and implement amendments to the Resource Management Act 1991;
- We develop and review bylaws to ensure they remain fit-for-purpose;
- We develop and review reserve management plans as well as the Reserves and Open Space Strategy (ROSS);
- We make submissions on proposed regional and national initiatives e.g. such as proposed regional policy statements, national policy statements.

Note: Internal services includes human resources, finance, administration and technology provided to the organisation.

How this benefits the community***Governance, democracy and planning for growth***

- Elected members “keep the long view” and set a direction for Council;
- Decisions are made in a transparent manner;
- Our governance function ensures:
 - compliance with legal requirements around formal meetings of Council and its committees, as stipulated in the Local Government Act 2012 and Local Government Official Information and Meetings Act 1978;
 - comprehensive reporting to Council and committee meetings using approved systems and processes to ensure elected members are provided with detailed, accurate and relevant information;
 - service levels are set for all activities Council delivers;
 - consultation with the community is carried out to provide a forum for stimulating debate on community issues;
 - elected members identify and respond to external risks to reduce or mitigate effects on the community; and
 - we have a proactive programme to develop good relationships with the community and mana whenua.

Civil Defence Emergency Planning

- We provide leadership and support to the community in an emergency and in the recovery afterwards. We will work alongside other agencies such as police, fire and ambulance and any other organisation to offer leadership and support; and
- We will inform and update the community, including local and national media where required.

Policy and district planning

- All plans and documents required by statute such as the District Plan, management plans and policies are produced and reviewed in accordance with legislative processes and requirements;
- We use submissions to ensure the Kaipara district voice is heard regionally and nationally;
- Policy development is visible and accountable, with key documents for consultation available on our website; and
- We research and develop local legislation, as required.

Risks and issues

- Any plans, policies or bylaws that involve slow processes may not reflect the community priorities and needs and can result in frustration of the community;
- Changes in national or regional policy may require us to change our district plan, pushing costs up in the future;
- Accelerated growth within the Kaipara district places a demand on Council operations to significantly improve both our internal capacity and capability;
- The breadth and wide variety of issues and information that Council needs to assimilate places high demand on the Mayor and Councillors; and
- Services provided are not always digitally enabled and may not meet residents expectations

How we fund this service

- General rates;
- Fees and charges;
- Grants, subsidies and other funding sources;
- Borrowing; and
- Asset sales.

Improvement programme 2018/2028 - District Leadership, Finance and Internal Services

<p>Year 1 – 2018/2019 Planned improvement / change</p>	<ul style="list-style-type: none"> • Notification of plan changes required to give effect to the regional policy statement (two-year timeframes); • Notification of plan change/s associated with the Mangawhai Community Plan; • Completion of the District Plan s35 Efficiency and Effectiveness review, including the Monitoring Strategy; • Research required for plan changes resulting from the Efficiency and Effectiveness Review; • Background work for growth planning in Dargaville; • Needs assessment for Growth Planning for existing residential and commercial areas; • Investigate options for online resource consent processing and propose business case; • Notification of omnibus plan change to amend errors and anomalies; • Completion of the review of the Gambling Policy and TAB Policy; • Resolution of any appeals to Plan Change 4 – Fire Rule; • Completion of Public Places Alcohol Control Bylaw, Policy on Dogs and Dog Management Bylaw; • Investigate Trade Waste Bylaw, Stormwater Bylaw, Freedom Camping Bylaw or Policy, and Food Grading Bylaw or Policy; and • Notify plan change to incorporate engineering standards into District Plan.
<p>Year 2 – 2019/2020 Planned improvement / change</p>	<ul style="list-style-type: none"> • Complete the plan change required to implement and give effect to the regional policy statement (two-year timeframes); • Continue plan change/s associated with the Mangawhai Community Plan; • Notification of plan changes resulting from the Efficiency and Effectiveness Review; • Start implementing the national planning standards through a plan change; • Notify plan changes for re-zoning in Dargaville; and • Commence growth planning for other locations across the district based on prioritisation set in Needs Assessment.

Improvement programme 2018/2028 - District Leadership, Finance and Internal Services

<p>Year 3 – 2020/2021 Planned improvement / change</p>	<ul style="list-style-type: none"> • Complete plan change/s associated with the Mangawhai Community Plan; • Continue growth planning across the district based on prioritisation set in Needs Assessment; • Settling of appeals (if any) to the regional policy statement plan changes (two-year timeframe); and • Continue national planning standards plan change.
<p>Years 4-10 – 2021/2028 Planned improvement / change</p>	<ul style="list-style-type: none"> • Continue other plan changes (no regional policy statement timeframe) required to give effect to the regional policy statement.

Funding Impact Statement - District Leadership, Finance and Internal Services - Operating

For the year ended:	Annual Plan	Budget									
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating funding											
Sources of operating funding											
General rates, uniform annual general charges, rate penalties	5,096	5,043	5,412	6,449	7,510	8,239	9,142	8,957	9,019	9,310	9,152
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	159	139	142	144	146	149	174	177	181	185	189
Internal charges and overheads recovered	5,931	6,779	7,250	7,320	7,069	7,276	7,502	7,700	7,918	8,230	8,496
Local authorities fuel tax, fines, infringement fees and other receipts	297	335	341	348	355	362	370	378	386	396	405
Total operating funding	11,483	12,296	13,145	14,260	15,080	16,026	17,188	17,212	17,504	18,121	18,242
Application of operating funding											
Payments to staff and suppliers	11,025	11,045	11,449	12,114	12,456	12,958	13,635	13,820	14,255	15,018	15,270
Finance costs	-291	-190	-278	-501	-749	-954	-1,314	-1,606	-1,852	-1,990	-2,335
Internal charges and overheads applied	271	451	461	474	480	485	501	507	515	527	540
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	11,004	11,306	11,632	12,087	12,187	12,489	12,822	12,721	12,918	13,555	13,475
Surplus (deficit) of operating funding	479	990	1,513	2,173	2,893	3,537	4,366	4,491	4,586	4,566	4,767

Funding Impact Statement - District Leadership, Finance and Internal Services - Capital

For the year ended:	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital funding											
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	-2,499	669	332	-87	-663	-664	-2,651	-2,722	-2,753	-2,665	-2,800
Gross proceeds from sale of assets	150	175	179	182	186	190	194	199	204	209	214
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	-2,349	844	511	95	-477	-474	-2,457	-2,523	-2,549	-2,456	-2,586
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure											
- to improve the level of service	170	995	969	988	903	684	33	34	35	36	37
Capital expenditure											
- to replace existing assets	226	320	326	333	446	1,053	355	364	372	382	391
Increase (decrease) in reserves	-2,266	519	729	947	1,067	1,326	1,521	1,570	1,630	1,692	1,753
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	-1,870	1,834	2,024	2,268	2,416	3,063	1,909	1,968	2,037	2,110	2,181
Surplus (deficit) of capital funding	-479	-990	-1,513	-2,173	-2,893	-3,537	-4,366	-4,491	-4,586	-4,566	-4,767
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Capital Expenditure Programme - District Leadership, Finance and Internal Services

	Budget 2018/2019 \$	Budget 2019/2020 \$	Budget 2020/2021 \$
District Leadership, Finance and Internal Services	1,315,000	1,295,400	1,321,308
119 - Council Property - Other	150,000	153,000	156,060
Renewal/Rectification/Seismic works for Town Hall; Municipal Office Dargaville	✓	✓	✓
157 - Information Services	1,015,000	1,020,000	1,040,400
Datawarehouse and Management Reporting	✓	✓	
Digital transformation	✓	✓	✓
Digital Workplace	✓	✓	✓
Digitisation Cloud Storage		✓	
EDRMS	✓		
GNET		✓	
HRIS	✓		
IAAS and SAAS	✓	✓	✓
Isovist E-Plan	✓		
New Equipment	✓	✓	✓
Replacement Equipment	✓	✓	✓
262 - Chief Executive	150,000	122,400	124,848
New Car for compliance officer	✓		
Replacement vehicles four per year	✓	✓	✓

Measuring performance - District Leadership, Finance and Internal Services

What we measure	LTP Year 1 Target 2018/2019	LTP Year 2 Target 2019/2020	LTP Year 3 Target 2020/2021	LTP Years 4-10 Target 2021/2028
Long Term Plan, Annual Plan and Annual Reports will be adopted within timeframes set in the Local Government Act 2002.	Compliant	Compliant	Compliant	Compliant
Percentage of residents that are very satisfied or satisfied with how rates are spent on services and facilities provided by Council.	65%	70%	70%	70%
Conduct Civil Defence training exercises.	1 per year	1 per year	1 per year	1 per year

Significant negative effects - District Leadership, Finance and Internal Services***Governance, democracy and planning for growth***

- A portion of the relevant population is not represented adequately or does not feel adequately heard through Council processes and submissions.

Civil Defence Emergency Management

- Damage to the natural environment, such as broken vegetation and spoilt beaches, during emergency response and recovery activities. This includes providing access to at risk people, property and infrastructure; disposal of slip and flood material; and restoration of hazard protection structures and lifelines. Where possible, activities will be limited to protecting life and property.

Policy and district planning

- Effective implementation of the plan is affected by amends/updates, meaning it is not current or responsive. This could be affect developers;
- Planning must balance the desires of some residents with those of the wider community. This often takes the form of influencing or controlling development so the quality of life for neighbours or wider community is not diminished. In other cases, development can impose unacceptable costs on community facilities and infrastructure or the environment;
- Growth, if not carefully managed, can significantly affect our community, environment, economy and cultural well-being. Our aim is to enable growth while successfully managing its impacts.

Glossary

Term	Definition
Absentee Ratepayer	Person/s who own property in the District but lives outside of the District for most of the year. The Council refers to these property owners as absentee ratepayers.
Activity	Goods or Services provided by or on behalf of the Council.
Additional Capacity	The proportion of infrastructural capacity provided through the Council's capital works programme that is available to service growth and development.
Annual Plan	Contains the Council's proposed budget and funding impact statement for one financial year. Identifies any variation from the financial statements and funding impact statement.
Annual Report	A report that Council prepares once a year to assess performance against its objectives, activities, performance targets and budgets outlined in the Long Term Plan or Annual Plan.
Applicable Revenue	Applicable revenue is the debt level compared against the total revenue i.e. rates, fees and charges, subsidies but excluding penalties.
Asset	A resource of economic value controlled by Council, such as a park, road, stormwater system, water supply or wastewater plant.
Assumption	A statement that is used as the basis for making particular predictions of outcomes that may or may not occur.
Business and Economic Research Limited (BERL)	An organisation that provides analysis across a wide range of fields to the public and private sectors, including economic forecasting.
Capital Expenditure	Money spent to build or buy a new asset or to improve the standard of an existing asset.
Community	A network of people and organisations linked together by factors such as place (geographical community), common interest or identity (e.g. hapu, voluntary organisation) or administrative community (e.g. the District).
Community Outcomes	The outcomes the Council aims to achieve to promote community well-being in the District now and in the future.
Consumer Price Index (CPI)	An index by Statistics New Zealand which records changes to the prices of consumer items bought by New Zealand households, giving a measure of inflation. The CPI measures price changes for food, housing, personal and health care, recreation and education, transportation, tobacco and alcohol, credit services, household operation and apparel.

Term	Definition
Debt	Debt can be displayed in two ways. External debt is money owed to outside parties while debt level requirement is money owed to external parties plus internal borrowings from Council reserves, cash funds etc.
Depreciation	The charge representing consumption or use of an asset, assessed by spreading the asset's value over its estimated economic life. Depreciation includes amortisation of intangible assets unless otherwise stated.
Development Contributions	A revenue contribution from property developers to cover the cost of servicing growth resulting from development activity. Further glossary terms on Development Contributions can be found within the Policy document located in Part Two of the Long Term Plan.
District Plan	A detailed plan of the way the District's environment will be managed to achieve the purpose and principles of the Resource Management Act 1991.
Dwelling Unit	Any building, part of a building or group of buildings used or intended to be used principally for residential purposes and occupied or intended to be occupied by not more than one household.
Equity	As a financial term, also known as net worth. The total value of assets less total liabilities.
Financial Strategy	A strategy covering the period of the Long Term Plan to assist the Council in its prudent financial management and to provide information on the overall effects of its funding and expenditure proposals.
Fixed Charge	A charge that is applied equally to all contributors i.e. all those who must pay are charged the same base amount.
Funding Impact Statement	A document that includes information that discloses revenue and financing mechanisms and indicates the level or amount of funds to be produced by each mechanism.
General rate	A rate assessed across all rating units in the District based on a land valuation system that is applied to fund services considered to provide benefits District-wide.
Groups of Activities	Goods or services provided by, or on behalf of, a Council including facilities and amenities, the performance of regulatory and other governmental functions.
Intergenerational Equity	A concept of achieving fairness between customers over time by ensuring that current ratepayers and future ratepayers each contribute to the cost of the assets they benefit from.
Internal Borrowing	The temporary use of Council funds for a different purpose from that for which they were received. The funds will be repaid at a later stage to enable them to be used for their original purpose.
Investment Policy	A document that states Council's policies in respect to investments.

Term	Definition
Levels of Service	The service parameters or requirements for a particular activity. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.
Liability Management Policy	A document that states Council's policies concerning the management of both borrowing and other liabilities.
Local Authority	A regional, district or city council.
Local Government Act 2002 (LGA)	Refers to the Local Government Act 2002 that defines the powers and responsibilities of local authorities.
Local Government (Rating) Act 2002 (LGRA)	Defines how local authorities can set rates and apply their rating policy.
Local Government Cost Index (LGCI)	A measure of the rate at which the costs to local government of providing services have changed. This provides information about increases in local government costs like the Consumer Price Index provides information about increases in household costs.
Long Term Plan	A Long Term Plan adopted every three years under section 93 of the Local Government Act 2002. It describes Council's activities, why it participates in these activities and how the activities will be funded. It includes information that is regarded as the Annual Plan for the first year to which it relates; and is reported on through the Annual Report.
Mangawhai Community Wastewater Scheme (MCWWS)	The wastewater scheme for Mangawhai. Formerly known as EcoCare.
Drinking-Water Standards New Zealand (NZDWS)	Drinking water standards set by the Ministry of Health.
Operating Expenditure	A category of expenditure that a business incurs as a result of performing its normal operations.
Rates	A charge against the property to help fund services and assets that the Council provides.
Rates Remission	A reduction of rates required by the Council where provided under the Council's Rates Remission Policy.
Rates Postponement	A postponement of the requirements to pay rates where provided under the Council's Rates Postponement Policy.
Rating Unit	One or more parcels or part-parcels of land that are rated as a discrete unit as defined by the Rating Valuations Act 1998.
Revenue and Financing Policy	A comprehensive policy stating how each activity of Council is to be funded – from rates, user charges, subsidies, other income or a combination of these. It also includes details of the various rating mechanisms used by Council.
Segmented Debt Policy	Under this policy Council separated debt associated with large water and wastewater scheme assets, such as the Mangawhai Community Wastewater Scheme, into a separate category that was exempt from its normal 'core' debt borrowing limits.

Term	Definition
Significance	The degree of importance attached by Council to an issue, proposal, decision or other matter in terms of its likely impact on the well-being of the District.
Significant Decision	A Council decision that has a high degree of significant importance in terms of economic, social, environmental, or cultural well-being.
Separately Used or Inhabited Part (SUIP)	Separately Used or Inhabited Part of a rating unit includes any portion inhabited or used by a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement. For the purposes of this policy, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.
Special Consultative Procedure	A process required by the Local Government Act 2002. This sets out a series of steps that a local authority must take when consulting on certain types of decisions.
Statutory Requirements	Requirements identified and defined in law.
Targeted Rates	A rate that is charged only to members of particular communities or groups of ratepayers that benefit from the activity being funded by the rate.
Uniform Annual General Charge (UAGC)	A fixed charge rate applied to every separately used part of a rating unit or inhabited rating unit in the District.
Units of Demand	Is a unit of measurement by which the relative demand for an activity, generated by different types of development (existing or proposed), can be assessed. A unit of demand may be expressed as a lot unit of demand or an activity unit demand.

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