

MAHERE Ā-TAU

ANNUAL PLAN

2019/20

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Te tīmatatanga



Introduction



Jaycee Park, Kaitia

Tō tātou tirohanga, tāke, uara me ngā tū manakohanga | Our vision, mission, values and expectations

Tirohanga | Our vision

He Whenua Rangatira
A District of Sustainable Prosperity and Well-Being.

Aronga | Our mission

He ara tāmata
Creating great places, supporting our people.

Wāriu | Our values

- Manawatopu.
Unity of purpose and working together.
- Whanaungatanga.
Family, community, connecting and caring.
- Tu tangata.
Strong cultural identities.
- Mana tangata.
Respect and fairness.
- Te Tiriti o Waitangi.
Partnership.
- Kaitiakitanga.
Environmental stewardship and sustainability.

Tumanako | Our expectations

- He wahi ataahua.
Valuing the outstanding beauty of our District.
- Oranga taiao, oranga tangata.
Nurturing the environment so it nourishes us.
- Oranga kainga.
A thriving, sustainable local economy.
- Mana i te whenua.
The role of tangata whenua is valued and respected.
- Te ira tangata.
Rich heritage and diversity respected and celebrated.
- Whanau.
A great place for our families to flourish.
- Tangata whai ora.
Happy, healthy, safe and purposeful people.
- He waka hourua.
Fit for purpose infrastructure underpinning success.
- Kokiri tahi.
Empowered communities, working collaboratively.

Ngā kārere o te Koromatua me te Kaiwhakahaere matua | Message from the Mayor and Chief Executive

Kia ora koutou

The Long Term Plan 2018-28 adopted last year addresses a number of historic infrastructure issues while continuing our journey towards being more strategy-driven.

In 2019/20, we will complete a number of high-profile projects. The Kerikeri wastewater scheme expansion will be operational soon, providing our fastest-growing town with 21st century sanitation. We are planning to upgrade the Paihia wastewater treatment plant to tackle discharge issues, and at Omanaia, we will build a new water treatment plant that will deliver safe drinking water to residents who have relied on untreated water for decades.

For roading, motorists in and around Waipapa will see a new roundabout at the Waipapa crossroads. After more than 20 years of requests from the public, it will be operational by mid 2020, thanks to our roading partners the NZ Transport Agency and funding from the Provincial Growth Fund (PGF). We plan to resolve historic flooding issues on West Coast Road near Panguru, with work expected to start as soon as the remedial plan has been agreed with the Panguru community. We have increased our budget for sealing high-priority roads by \$2 million, and plan to spend the first part of the year identifying which roads will be addressed first.

Funding from the PGF and the Tourism Infrastructure Fund (TIF) continues to supplement our efforts to improve facilities to cope with demand by tourism. While 14% of the Far North's gross domestic product comes from tourism, there is no avoiding the fact that high numbers of tourists continue to put pressure on the core infrastructure of our district. With help from central government, our commercial company, Far North Holdings Ltd (FNHL), is upgrading wharves at Russell and Paihia and aims to complete the Hundertwasser-inspired visitor centre at Kawakawa in April 2020. FNHL have finished the upgrade of the Bay of Islands airport, part-funded by the TIF, also funded with the help of the PGF. Meanwhile, Council plans to build new public toilets at Mitimiti, Ohaeawai, Opononi and Waitangi.

Beyond the provision of infrastructure and Council services, we aim to be more strategy-driven than ever before. We are developing a long-range strategy for the District, named Far North 2100 (or FN2100), to inform future planning. We will be bringing a discussion document to our communities for feedback in August this year, followed by deeper consultation in February 2020. To supplement this work, secondary strategies will set direction for key activities such as transportation and climate change; enabling more sustainable and integrated long-term investment in the infrastructure our District depends upon. We accept that we haven't always planned effectively in the past or kept up with growth, so these strategies represent a big improvement in our vision

and leadership.

One certainty is that the future will not be cheap, and how we fund the growth and development of our District will continue to be something we spend a lot of time thinking about. Maximising inwards investment from central government sources is high on our list of priorities. We continue to work closely with the Ministry of Business, Innovation and Employment to secure assistance through the PGF and TIF, and we look forward to seeing how revenue from the International Visitor Levy will be made available to local authorities to help alleviate the impacts of tourism. Efforts to secure as much government funding as possible have seen some big wins for the Far North so far, and we hope this success will continue, with applications for sealing roads and strengthening bridges, NZTA-led improvements to state highways 11 and 12, wastewater and potable water initiatives and enhanced facilities for freedom camping being just a few of the focus areas for the coming year.

As part of creating a better future for our district, we recognise that we cannot address challenges and opportunities effectively unless we partner with tangata whenua. The Northland Mayoral Forum and Tai Tokerau Iwi Chairs (Te Kahu O Taonui) recently signed an historic relationship agreement and we will use this agreement to promote participation between iwi and local government. One of the initiatives we have been working through with our partners Te Rūnanga Ā Iwi O Ngāpuhi is the development of a community, cultural and tourism hub in Kaikohe. This is a long-term project and in 2019/20 we will continue to collaborate on the business case for Tē Pu o Te Wheke (the Heart of Ngāpuhi) with the hope that together we can help restore Kaikohe's prosperity.

We thank you for taking an interest in our work programme and encourage you to read this document to find out more about what we are doing to create a district of sustainable prosperity and wellbeing.

Ngā mihi.



John Carter QSO
Mayor



Shaun Clarke ONZM
Chief Executive Officer

Ngā Manu Mātārae

Civic Leadership



Hon John Carter
QSO
Mayor



Cr Tania McInnes
Deputy Mayor
Bay of Islands-
Whangaroa Ward



Cr Ann Court
Bay of Islands-
Whangaroa Ward



Cr Dave Hookway
Bay of Islands-
Whangaroa Ward



Cr Kelly Stratford
Bay of Islands-
Whangaroa Ward



Cr Sally Macauley
QSM
Kaikohe-Hokianga
Ward



Cr John Vujcich
Kaikohe-Hokianga
Ward



**Cr Colin 'Toss'
Kitchen** MNZM
Te Hiku Ward



Cr Felicity Foy
Te Hiku Ward



Cr Mate Radich
Te Hiku Ward

Ngā Rāngai Hapori

Community Boards

Bay of Islands - Whangaroa Ward

Terry Greening (Chair), *Russell-Opua*
Belinda Ward (Deputy Chair), *Paihia*
Lane Ayr, *Kerikeri*
Martin Robinson, *Kerikeri*
Rachel Smith, *Kerikeri*
Bruce Mills, *Whangaroa*
Manuwai Wells, *Kawakawa-Moerewa*

Kaikohe - Hokianga Ward

Mike Edmonds (Chair), *Kaikohe*
Emma Davis (Deputy Chair), *North Hokianga*
Shaun Reilly, *Kaikohe*
Kelly van Gaalen, *Kaikohe*
Alan Hessel, *South Hokianga*
Louis Toorenburg, *South Hokianga*

Te Hiku Ward

Adele Gardner (Chair), *Kaitaia*
Melanie Dalziel (Deputy Chair), *North Cape*
Bronwyn Hunt, *Kaitaia*
Awhina Murupaenga, *Kaitaia*
Nuu Ward, *Doubtless Bay*
Lawrie Atkinson, *Whatuwhiwhi*

He aha tāu mō ā koutou tāke 2019/20? | What you are getting for your rates dollar 2019/20?



19¢

Roading



13¢

Wastewater services



10¢

Customer services
Libraries, information / service centres



10¢

Community services
Cemeteries, town maintenance etc



10¢

Regulatory services
Building, animal control etc



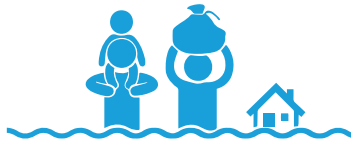
9¢

Forward planning
Policy, community assistance etc



6¢

Recreation facilities
Parks and reserves, maritime, pools



6¢

Drainage, stormwater and flood protection



4¢

Refuse
Transfer stations



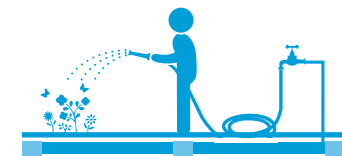
4¢

Governance



3¢

Sustainable environment
District Plan, Māori engagement etc



3¢

Water supply



1¢

Public safety
Civil Defence



1¢

Housing for the Elderly



1¢

Footpaths

Tā tātou mahere i te rangitahi | Our plan in brief

We plan to maintain a steady course for 2019/20, with no significant changes from those set in the 2018-28 Long Term Plan (LTP). While adopted plans and budgets have been adjusted to accommodate recent events, for the most part we are sticking to the direction set by the LTP.

We enter 2019/20 with a 3.36% rates increase, slightly lower than that forecast in the LTP. This is the result of reduced operational funding requirements for interest and depreciation expenses, inflation and general savings.

Strategic direction

As an organisation, we continue to support the District vision *He Whenua Rangatira – a District of Sustainable Prosperity and Well-Being* through our infrastructure and regulatory programme, a commitment to community planning and development, by building stronger relationships with iwi and hapū, and forming alliances with other councils in our region.

From a day-to-day perspective, we continue to catch up on the backlog of infrastructure renewals through a prudent capital works programme. This means more maintenance and repairs and less new assets. We expect this strategy to help us maintain current levels of service. At the same time, we are completing a series of service delivery reviews and continue to actively seek opportunities to collaborate with other councils. If service delivery reviews result in changes to how we deliver to the community we will at least maintain levels of service, and hope that in some cases we may be able to increase them.

Although the building of new assets is not high on our list of priorities, we do still intend to undertake a large amount of capital projects, and will continue to improve our planning and project management to ensure we achieve affordability, prudent debt levels and timely delivery.

ORIGINALLY PLANNED
LTP 2018-28

NOW PLANNED
2019/20

REVENUE

includes rates, subsidies, fees and charges

\$131.6
MILLION

\$131.1
MILLION

DEBT

\$104.6
MILLION

\$84.7
MILLION

OPERATING EXPENDITURE

\$124.6
MILLION

\$126.0
MILLION

CAPITAL EXPENDITURE

\$58.4
MILLION

\$63.7
MILLION

RATES INCREASE

WAS
4.0%

NOW
3.36%

Year two of Council's LTP 2018-28

The Annual Plan updates the work plans and budgets set through the LTP. For the most part, we are sticking to what was decided through the LTP.

These are the main differences:

- Forecast revenue has reduced by just under \$600,000 due to reduced rates offset by a higher level of income from fees and charges, dividends, petrol tax, Government waste minimisation levies and general recoveries.
- We expect to receive Government subsidies of about \$25.1 million, just over \$400,000 less than forecast in the LTP. This is due to adjustments made to the roading programme which is eligible for government funding.
- Forecast debt at the end of year two of the LTP was originally forecast to be \$104.6 million assuming all debt-funded capital works went ahead as planned. Changes to the timing of some projects combined with delayed completion of others means that this figure will be much lower. We anticipate that debt at 30 June 2020 is likely to be \$84.7 million.
- Operating expenses are expected to rise as a result of increased personnel and contractor costs offset by reductions in finance costs and depreciation.
- In the LTP an average general rates increases of no more than 4% was committed to. With the above change we will stay well below that level at 3.36%.

Capital works programme

The capital budget for 2019/20 is approximately \$5.3 million more than forecast in year two of the LTP. This is predominantly due to an increased budget for upgrading the Paihia wastewater treatment plant (\$3.5 million), an increased budget for animal management facilities (\$1.4 million), and additional funding for the sealing of unsealed roads (\$2 million).

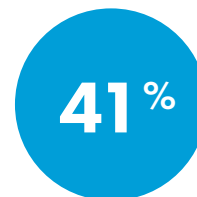
The development of this annual plan ran alongside the beginning of a long-term asset condition assessment programme to enable more accuracy in planning the timing of renewals for our assets. As condition data has been gathered adjustments have been made, both additions and deletions, to the programme. From a renewals perspective, where assets with planned renewals have been inspected and considered to be in acceptable condition funding has been re-timed to a later date or diverted elsewhere to serve more critical renewal requirements.

The programme of new works that will increase levels of service was also reviewed, taking into account refined timeframes as a result of project planning, unforeseen holdups, confirmed designs and costs and community consultation. As a result some items have been adjusted.

Although maintaining levels of service will remain a focus, new works such as completion of the Kerikeri wastewater system and resolving wastewater odour issues in Paihia will be a priority.

WHERE THE MONEY COMES FROM

General rates



Targeted rates



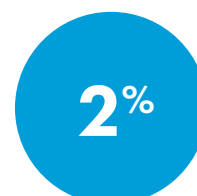
Subsidies



Fees and charges



Other



Rates penalties



He aha tā mātou mahi i tēnei tau? | What's happening this year?

We plan to maintain levels of service in 2019/20, but we also aim to complete a number of historic infrastructure projects that will deliver significant benefits for communities and help us to become a district of sustainable prosperity and wellbeing.

Here are the highlights of what you can expect to see this year:

Three waters

- The Kerikeri Wastewater project will be finished this year, providing our fastest-growing town with 21st century sanitation.
- Treated effluent discharges at our Paihia Wastewater Plant haven't met consent standards for years. We have finally found a solution and are currently going through a design and build tender process. The project will cost just over \$6 million and is expected to begin construction in July 2019 with completion before the end of June 2020.
- The new facility being built at Omanaia to replace the Rawene plant is on track to be complete by August this year. The plant will enable 44 Omanaia households to access treated water that complies with the NZ Drinking Water Standards. The cost of the project is heavily subsidised by the Ministry of Health.
- The stormwater programme for 2019/20 will address a number of historic flooding issues across the District, in particular Moerewa and in Kaitaia where a pipeline failure requires replacement of pipes under building foundations. Condition assessments of the stormwater network are scheduled to continue.

Roading and footpaths

- The budget for 2019/20 includes \$3.9 million for unsealed road metalling, \$8 million for sealed road renewals.
- Road raising works at Panguru are ongoing, with Council, NZTA, the Northland Regional Council and the community hoping to agree the preferred solution soon. Consents and construction are likely to begin in late 2019 or at the latest early 2020.
- People have been asking for a traffic roundabout at the Waipapa crossroads for more than 20 years. Our roading partner NZ Transport Agency (NZTA) will begin building a roundabout in October and aims to complete it in mid-2020.
- We recognise that roading is an important issue for rural ratepayers and plan to spend \$4 million sealing short sections of unsealed road in high-priority areas, an increase from the \$2 million budgeted in the Long Term Plan.
- Footpath budgets will see just under \$1 million of new works and renewals carried out across the District.

District Facilities

- A three-year programme of work to improve the accessibility of our facilities for those with disabilities gets underway this year. The plan is to tie this work in with regular renewals, so that as we attend to carparks, halls, libraries and toilets, accessibility improvements will be carried out at the same time.
- Toilets partially funded by the Tourism Infrastructure Fund will go ahead at Mitimiti, and, if consultation concludes early enough for construction to occur, so will new facilities at Opononi and the Waitangi Boat Ramp.
- Other public toilets to be constructed this year are Haruru Falls (bush walk), Memorial Park in Kaikohe and Centennial Park in Kaitaia. The existing toilets at Centennial Park will be relocated to North Park in Kaitaia.
- Now that the Lindvart Park Reserve Management Plan is in place, Sportsville (the management body for the park) and Council are working together to develop plans to establish the park as the premier sports venue for the Far North with attractive, well-maintained and well-used facilities.

- Work will begin on designing a facility for car and boat trailer parking near the boat ramp at Rangitane. This will take some time as there are some engineering issues to overcome that may result in multiple options on which the community will be consulted. We hope the design and consultation work will be complete by the end of 2019/20 and that funds for construction can be allocated in the next annual or long-term plan.

Ngawha Innovation and Enterprise Park

Building a sustainable future for the Far North depends on a diversified economy that capitalises on the District's strengths. In 2018, we provided additional equity investment of \$5 million to FNHL to buy farmland at Ngawha to develop as an innovation and enterprise park. FNHL has since secured PGF funding to develop a business case, prepare planning applications and initiate discussions with potential investors. This work will continue in 2019/20.

Kawakawa library and service centre

The Kawakawa library and service centre is scheduled to move in to the Te Hononga, the new Hundertwasser Park Centre at Kawakawa when the site build is completed during 2019/20. Council will become a tenant of the new centre and the library fit-out will reflect the building design, incorporating natural materials and curves with an ecological / conservation ethos.

Animal care facilities

We had budgeted \$1.14 million for new dog impounding facilities in the District and had planned to build a new Northern Area Dog Shelter near Kaitaia before Christmas 2019. However, engineers' estimates are significantly higher than this figure. We are reviewing these estimates and investigating more cost-effective options for dealing with up to 100 dogs that are impounded each month. We have done a lot of work developing proposals that are a big improvement on our existing facilities and we want to assure animal welfare groups that design elements that focus on animal welfare will remain part of the specification.

Inwards investment

We will continue to work with the Ministry of Business, Innovation and Employment to secure assistance through the PGF and TIF funding initiatives. Our rolling programme of twice-yearly TIF applications for tourism-related infrastructure will be resourced to a higher level, and PGF applications for sealing roads and strengthening bridges, NZTA-led improvements to state highways 11 and 12, wastewater and potable water initiatives and enhanced facilities for freedom camping will be submitted.

Internal projects

Council is forging on with a large programme of internal initiatives to improve our delivery to the community:

- We were one of the first councils to be assessed under Local Government New Zealand's excellence programme CouncilMARK™ in 2017. We received a B grade for leadership, finance, service delivery and community engagement. We are addressing feedback from assessors and aim to improve this grade in 2019/20. We have also established programmes to improve the customer experience and to reduce waiting times for building consents. These projects will remain high priorities in 2019/20.
- A significant programme of technology updates and improvements designed to better support the business will happen in the coming year. We are now over halfway through digitising all property records, making access to property information fast and efficient. Critical infrastructure upgrades, data and information management, improved data security and a major website upgrade are also underway and are expected to deliver tangible results this year. Our Online Services Programme will directly benefit customers by allowing them to do transactions with Council online. Many of our customers already do their business online as a matter of course - their shopping, their banking, even their taxes. We are now configuring our systems so that eventually customers will be able to make payments, submit applications, report issues and update their own information online. Residents and ratepayers will have choice about how they interact with Council - where and when - and that will vastly improve the experience they have as customers. The first phase of this four-stage programme is underway and we expect this work to deliver results during 2019/20.
- Over the past year we have completely renovated our building consents process and this coming year will see more improvements as we implement technology and systems to better serve our customers in this area.
- Our customer experience programme continues to make good progress, focusing on being more responsive to our customers and enhancing customers' experience when dealing with us. The programme now includes analysis of Request for Service (RFS) information which will help us to improve service over time.
- We aim to be more strategy-driven and are developing a District Strategy and Spatial Plan called Far North 2100. We will seek community feedback on a discussion document in August 2019 and release a draft strategy and spatial plan for formal submissions in February 2020. We are also developing a Regional Climate Change Strategy with other Northland Councils to ensure a regional approach to climate change adaptation. With support from NZTA and the Northland Transport Alliance (NTA) an integrated District transportation strategy is underway. Strategy work aligns closely with the review of the District Plan to enable us to help deliver the future our communities want to see.
- A substantial review of all revenue streams is underway, including revenue from rates, development contributions, and fees and charges. We anticipate that the options will be well understood by the 2019 local body elections in October. The new Council will consider these proposals and seek public feedback on any changes in the second half of 2019/20.

Whakarāpopoto hōtoka o te mahi matua | Capital works programme summary

This is a summary of our capital projects schedule for the 2019/20 year. A full capital projects schedule can be found on pages 15-22.

Roading and Footpaths

Activity	\$000s
New works	
Footpaths	460
Lighting	13
Resilience improvements	1,367
Safety and improvements – Waipapa	696
Safety and minor improvements	1,809
Unsubsidised roading capital – sealing	3,022
Total new works	7,367
Renewals	
Bridges and structures	1,196
Drainage – culverts, kerbs and channels	1,640
Effluent station equipment	51
Ferry renewals	337
Footpaths	587
Reseals and chip sealing	3,689
Safety and minor improvements	3,577
Sealed road rehabilitation	4,476
Traffic services	511
Unsealed road metalling and rehabilitation	3,968
Total renewals	20,033

Roading and Footpaths 27,400

Water Supply

Activity	\$000s
New works	
Monitoring equipment	172
Fireflow upgrades	481
Mains upgrades	123
Minor capital works	307
New water source – Opononi	941
Resource consent – Kawakawa	57
Reticulation – Mawson Avenue	153
Treatment plants	102
Water take consents	12
Total new works	2,348
Renewals	
Resource consent - Kerikeri	47
Reticulation replacements	926
Scheduled renewals	98
Treatment plant	205
Water source	82
Total renewals	1,359

Water Supply 3,707

Wastewater

Activity	\$000s
New works	
Capital reactive works	460
Resource consents	728
Odour control	61
Power supply installation – Paihia	396
Reduction of wastewater overflows – Kaitaia	358
Reticulation and treatment plants	90
Sludge management / disposal	2,044
Treatment plant – Paihia	3,535
Total new works	7,672
Renewals	
Pump station upgrades	82
Resource consents	125
Reticulation renewals	567
Telemetry upgrades	227
Wastewater renewals	254
Wastewater treatment plant upgrades	511
Total renewals	1,766

Wastewater 9,437

Stormwater

Activity	\$000s
New works	
Capital reactive works	613
Disposal field – Kerikeri	307
Floodgates	31
Stormwater improvements – Moerewa	358
Stormwater lines	365
Total new works	1,674
Renewals	
Floodgates	51
Stormwater renewals	51
Total renewals	102

Stormwater 1,776

Solid Waste Management

Activity	\$000s
New works	
Recycling station - Whangaroa	61
Transfer station improvements	77
Total new works	138
Renewals	
Landfills	1
Recycling stations	2
Transfer station renewals	353
Weighbridge	100
Total renewals	455

Solid Waste Management 593**District Facilities**

Activity	\$000s
New works	
Airports	110
Amenity lighting - District-wide	51
Boardwalk safety rail - Mangonui	102
BOI sports hub development - Kerikeri	3,140
Carpark upgrades	17
Centennial Park works - Kaitaia	178
Disability access improvements and toilets	107
Maritime facilities	820
Netball court clubroom and squash club relocation	368
Parks and reserves	177
Pavilion upgrade - Lindvart Park	100
Public toilets	624
Sportsgrounds	633
Town beautification	208
Total new works	6,635
Renewals	
Airport - Kaitaia	272
Amenity lighting - District-wide	23
Carparks	81
Civil Defence	37
Community centres	2
Halls	348
Housing for the Elderly	403
Maritime facilities	688
Parks and reserves	1,340
Public toilets	258
Sportsfields and courts renewals - Maromaku	157
Swingbridge - Broadwood	102
Total renewals	3,711

District Facilities 10,346**Customer Services**

Activity	\$000s
New works	
Libraries - e-Resources, HVAC upgrade and Kawakawa library fitout	545
Total new works	545
Renewals	
Library asset renewals	972
Information centres	94
Pioneer House - Kaitaia	25
Service centres	86
Total renewals	1,177

Customer Services 1,723**Environmental Management**

Activity	\$000s
New works	
Animal care facilities	2,093
Total new works	2,093

Environmental Management 2,093**Governance and Strategic Administration**

Activity	\$000s
New works	
Asset Management System	657
IT hardware and software	111
Online services	194
Service centre upgrades - Kaikohe	4,000
Vehicle tracking (GPS)	184
Total new works	5,146
Renewals	
IT renewals	525
Office equipment	80
Pool vehicles	698
Service centre - Kaikohe	268
Total renewals	1,572

Governance and Strategic Administration 6,718**Total capital works programme 63,793**